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ABSTRACT

As the sixth annual report on the availability of government and government assisted rural services, this report: (1) outlines executive branch efforts to improve services to rural America during fiscal year 1974; (2) measures services to rural America by comparing the distribution of 1974 outlays in 4 broad program categories important to rural development (based on 182 selected Federal programs, with the distribution of the total population of counties grouped along a 10-part urban to rural dimension); (3) provides insights relative to rural and urban population groups and the extent to which they have been influenced by Federal programs in the areas of human resource development, community and industrial development, housing, and agricultural and natural resources; (4) presents Federal outlay distribution across counties grouped by census regions and distribution by rate of recent (1970-73) population growth. Significant statistics indicate: higher per capita Federal outlays in nonmetro counties due to emphasis on the rural-oriented agriculture and natural resource programs; higher per capita housing and human resource development outlays in metro counties; roughly equal outlays for community facilities; higher outlays in nonmetro counties for industrial facilities and highways. (JC)

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RURAL DEVELOPMENT

SIXTH ANNUAL REPORT
OF THE PRESIDENT
TO THE CONGRESS
ON GOVERNMENT SERVICES
TO RURAL AMERICA

U S DEPARTMENT OF HEALTH
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
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Transmitted to the Congress April 26, 1976

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Copies of this report may be obtained from Rural Development Service, U.S. Department of Agriculture, Washington, D.C. 20250.

SIXTH ANNUAL
REPORT OF THE PRESIDENT
TO THE CONGRESS ON
GOVERNMENT SERVICES
TO RURAL AMERICA

(Pursuant to Title IX,
Section 901(e), of the
Agricultural Act of 1970

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INTRODUCTION

This is the sixth annual report of the President to the Congress on the availability of government and government-assisted services to rural areas. The report is prepared in response to section 901(e) of the Agricultural Act of 1970 (P.L. 91-524). The first section of this report outlines executive branch efforts to improve services to rural America during fiscal year 1974. The second section measures services to rural America by comparing the distribution of fiscal year 1974 outlays in four broad program categories important for rural development, based on 182 selected Federal programs, with the 1973 distribution of the total population of counties grouped along a 10-part urban-to-rural dimension. This comparison provides insights as to which population groups with respect to the dimension of their rural or urban character, are influenced most by Federal programs for human resource development, community and industrial development, housing, and agriculture and natural resources, the four major groups analyzed. Also provided is a Federal outlay distribution across counties grouped by census regions, and a distribution by rate of recent (1970-73) population growth.

Part I

IMPROVING GOVERNMENT SERVICES TO RURAL AMERICA, FISCAL YEAR 1974

The following sections of Part I of this report outline a broad range of executive branch efforts to improve services to rural America in fiscal year 1974. Highlighted are efforts that have been particularly responsive to the dual challenge of helping improve rural opportunities while at the same time helping ensure that these opportunities become realities chosen and realized by the local people themselves.

* * * *

Federal Coordination

Fiscal year 1974 was the first full year of implementation of major assistance programs under the Rural Development Act of 1972, and the title 6 provision for nationwide rural development coordination by the Secretary of Agriculture. Title 6 has been implemented in such a way as to constitute a significant effort to improve USDA services to rural areas and also to help improve other executive branch agencies' efforts to extend more of their resources and services to rural communities.

The Department's Rural Development Service (RDS) is the agency delegated responsibility for rural development leadership and coordination under title 6. Under this delegation, RDS performs the following functions to coordinate rural development programs at the Federal level:

* Assists in formulating and reviewing proposed legislation and regulations impacting on rural areas, to encourage an equitable distribution of Federal resources to rural communities.

* Analyzes existing programs, legislation, and regulations to identify program gaps and opportunities for joint funding and other improved delivery mechanisms. RDS then initiates cooperative agreements between agencies or negotiates procedures to improve Federal resource delivery to rural areas.

* Through rural-interest representation on over 30 Federal-level task forces and through meetings with managers of programs that can further rural development, contributes to Federal administrators' understanding of specific developmental needs of the rural sector.

Also reflecting the year's emphasis on the need for coordinated efforts to improve rural development program effectiveness were numerous actions taken by the USDA National Rural Development Committee. A major initiative was the Committee's sponsorship of a series of four regional conferences to bring together State rural development committees, Federal Regional Council representatives, and State government officials. The conferences emphasized coordinated working relationships in rural development.

In fiscal year 1974, the increased effectiveness that coordination provides and the executive branch's commitment to improving services to localities were reaffirmed through the issuance of Executive Order 11731. The purpose of this order is to strengthen coordinating procedures for the 10 Federal Regional Councils that comprise the single initial contact point at the regional level for jurisdictions seeking to do business with Federal domestic agencies. EO 11731 aids the delivery of Federal program resources through promotion of better coordination with Governors and local chief executives and development of procedures for improving the allocation of Federal resources to meet both short and long range needs of State and local communities. In addition, this Executive Order strengthened the Council system by expanding the membership to include the Departments of Agriculture, Interior, and Transportation.

The increased emphasis on integration of Federal activities to increase program benefits to rural areas can also be illustrated by a number of other efforts in fiscal year 1974. These are described under the following subject areas of rural development priorities.

Local Leadership Development

A critical area in rural development receiving expanded executive branch attention during the year was local leadership development. Efforts in this area were, and continue to be, directed toward improving the capability of small communities to identify, apply for, and compete for limited developmental resources available from governmental as well as private sources.

This important work of community organization and leadership development has been conducted at the local, multicounty, and State levels by Extension community development specialists and representatives of a number of USDA agencies. For example, leadership development activities of the USDA-State rural development committees include the Louisiana State "Leadership and Problem Identification Survey" designed to help develop structures for more effective citizen participation in community development. Another example, is the Massachusetts State rural development committee's development of educational programs to help local people identify their community problems, develop alternative solutions, and measure the costs and benefits of each alternative.

Additional USDA actions include:

-The conduct of three 6-day rural development leaders schools by the Rural Development Service. Attended by over 300 local community leaders and other participants, the schools emphasize the practical process of community development.

-Training of some 150 USDA field staff working with local community leaders who need guidance in stimulating business and industrial development in rural areas. This Extension-led effort was started to help rural areas take rapid advantage of Rural Development Act programs and other new assistance measures for economic development.

Rural Development Program Information

In a major effort to improve governmental responsiveness to program information needs of local leaders, the Rural Development Service established in fiscal year 1974 a one-stop rural development information service. The agency distributes rural development program information from all appropriate USDA agencies as well as from the Departments of Labor; Transportation; Housing and Urban Development (HUD); Health, Education, and Welfare (HEW); and other Federal agencies with programs applicable to rural needs.

Further, when information on major new programs in early stages of implemenation is not yet available from the administering agency, RDS prepares summary fact sheets on such programs, in cooperation with appropriate program officials. The information is disseminated to the Federal Regional Councils, State rural development committees, public and private development-minded organizations, local officials, and USDA agencies with extensive field office systems for redistribution to these offices.

Related to this concerted program effort to improve rural communities' access to needed information is the publication of the Guide to Federal Programs for Rural Development. The Rural Development Service publisned a revision of this guide in fiscal year 1974 and will periodically update and publish the document.

The Extension Service expanded its informational assistance to the States by initiating three new newsletters for State Extension CRD leaders and program specialists. The newsletters--"Manpower Development Notes," "Housing Notes," and "Water, Sewer and Solid Waste Notes," convey timely information on developments in Federal programs applicable to specific rural development objectives and other current resource information.

At the local level, Extension Service specialists also expanded their development informational assistance during the year, conducting rural development conferences, seminars, and workshops in 2,955 counties to provide a forum for local leaders to learn of Federal programs that will assist them with their development efforts.

Also expanded during the year were the Rural Resources Fairs conducted by the Rural Development Service at each National Rural Development Leaders School to enable participants to meet with representatives of many government and private institutions that provide assistance to local development efforts. During fiscal year 1974, this cooperative effort included representatives from the Departments of Agriculture; Labor; Housing and Urban Development; Health, Education, and Welfare; and Transportation; plus the former Office of Economic Opportunity (now the Community Services Administration); the Environmental Protection Agency; ACTION; and the Small Business Administration.

Rural Development Technical Assistance

Approximately 80 percent of Federal resources available to nonmetropolitan areas are administered by agencies, commissions, and other authorities outside of USDA. To assist rural communities undertaking development projects and seeking governmental support, RDS in fiscal year 1974 initiated a one-stop technical assistance service embracing all Federal programs with resources applicable to rural development.

This service is being provided because rural community leaders frequently lack the capability needed to identify, analyze, and select the most appropriate of the 500 to 600 Federal programs that can offer resources for rural development. Through this technical assistance service, RDS will identify for local officials sources of assistance that are fitted to the stated need and for which the community is eligible, including preapplication counseling and guidance, and identification of the appropriate program official to be contacted for specific assistance.

Technical assistance for decisionmakers at the local level has long been an important activity of Extension Service and Experiment Station staff in the State Land-Grant University system, affiliated with USDA. In addition, USDA's Soil Conservation Service, Forest Service, Farmer Cooperative Service, and other departmental agencies continually provide rural communities with technical assistance in such program areas as resource conservation and development, housing, business and industrial development, health and welfare, and organization and leadership development.

This assistance takes the form of (1) feasibility studies on specific project proposals or on alternative solutions to community problems identified by local planning groups; (2) surveys of community citizens to determine community needs perceived by local residents; and (3) studies and analysis of data collected by local government agencies to assist in local planning efforts. This technical assistance was expanded greatly in fiscal year 1974, with USDA agencies and affiliated State groups conducting some 44,000 feasibility studies and surveys to assist rural communities.

Rural Development Research and Extension

Under the leadership of the State Extension Services and State Agriculture Experiment Stations, four regional rural development centers became fully operational during fiscal year 1974. These are located in Iowa (North Central region), New York (Northeast), Oregon (West), and Mississippi (South). With grant support from USDA's Cooperative State Research Service (CSRS) and Extension Service, the centers in 1974 performed for the first time joint research/extension work in rural development. They are a major new vehicle for production of research and development of improved means for transferring and applying the new knowledge to local development problems.

In fiscal year 1974, steps were taken through USDA-supported State research programs to involve local public officials, planners, and planning development bodies in selecting the problems to be researched. The joint

research and extension programs under title 5 of the Rural Development Act are stressing this effort.

The Agriculture Experiment Stations in the State Land-Grant Universities, receiving Hatch Act support channeled through CSRS, continued to increase their research efforts in rural development in fiscal year 1974. In terms of scientist man-years devoted to research on job creation, resource development, rural health and other community services, environmental quality, and a broad range of other rural development issues, there was a four-fold increase in Hatch Act-supported rural development research over the 1970-74 period.

Among areas receiving increased attention in these Experiment Station research efforts and also in State Extension Service efforts were projects to assist rural areas affected or expected to be affected by the development of new oil fields and coal mines. Special attention was given to reclamation of strip-mined areas and the development of innovative methods which consider typography, climate, and characteristics of the soils in the affected area.

As the research emphasis indicates, this issue of energy development in the United States is going to have an increasing impact on rural development. Potentially affected regions and the entire Nation are in need of sound information on the likely impact on rural communities in energy reserve areas. To help meet this need numerous other Federal agencies are also involved in developing new knowledge and means of assistance to regions affected. A cooperative executive branch-State level program that focused on this matter in fiscal year 1974 was directed to the Northern Great Plains Region, where more than 35 percent of the Nation's minable coal reserve is located.

Development of the Northern Great Plains coal resource concerns the region's people in a variety of ways, and they have diverging opinions ranging from strong opposition to attitudes of support. Perhaps the deepest concerns are over the possibility of disruption of the stable economic and social patterns of the Northern Great Plains. Residents are also concerned about how their noncoal natural resources will be affected by coal development.

In response to this situation, the Department of Agriculture along with the Department of the Interior, the Environmental Protection Agency, and the Northern Great Plains States (North and South Dakota, Nebraska, Wyoming, and Montana) carried out a comprehensive study to provide information and analysis that can be used to place the potential impacts of coal development into perspective. The overall aim of the project was to assist the people of the Northern Great Plains and the Nation in the management of the natural resources of this region in the context of the needs of the people of the region.

In this effort, the following areas of concern were studied: regional geology; mineral resources; water; atmospheric aspects; surface resources; social, economic, and cultural aspects; and natural energy. Participating in the investigation work groups were specialists from Federal and State governments, industry, universities, and environmental groups, and other individuals. The work group reports were completed in fiscal year 1974 for subsequent publication and placement in depositories within the Northern Great Plains Region. From these studies a summary report will be issued that should

be of broad interest to rural development-minded groups and individuals concerned with the issue of "change," one of the central challenges that communities undergoing development or seeking development must deal with.

Environmental quality research was a major additional program area stressed in fiscal year 1974 by USDA agencies and their State affiliates, often working in cooperation with the Environmental Protection Agency to develop improved knowledge and practices for the protection and enhancement of the physical environment of rural and urban areas alike. These efforts particularly applicable to rural development objectives are discussed under the section entitled "Environmental Protection."

The Economic Research Service (ERS) in USDA, a major producer of economic development research, expanded its emphasis in fiscal year 1974 on making economic development analyses available to local decisionmakers to help solve rural development problems of high priority to the community. During the year, ERS economic development research officials also developed additional professional contacts and institutional arrangements, such as periodic seminars, to improve cooperative efforts with the Departments of Housing and Urban Development and Health, Education, and Welfare, and other executive branch agencies. The ERS objective is to undertake more research efforts that can help other agencies in developing policy and regulations for implementing their programs applicable to rural areas.

Research and demonstration undertakings in fiscal year 1974 to develop new approaches to the problems of rural poverty included the initiation of a major rural transportation project being conducted by the West Virginia Department of Welfare with funding from the Community Services Administration (CSA), successor agency to the former Office of Economic Opportunity. This project--the first statewide transportation research and demonstration project funded by CSA--is testing the use of "transportation stamps" for the low-income, elderly, and handicapped in West Virginia. The project also provides assistance for developing and improving transportation systems in rural areas where systems are nonexistent or inadequate.

Land Use and Rural Development Planning

One of the most critical rural development efforts at the local, substate, State, and regional level is comprehensive planning for responsible development that produces results wanted and expected by the rural communities involved. In fiscal year 1974, increased efforts were made to improve the planning assistance services of a number of executive branch agencies.

For example, the Department of Agriculture established a departmental Committee on Planning and Policy for Land Use and Land Conservation which has worked to improve USDA services in such critical areas as State-level land use planning and encouragement of increased public responsiveness to land use planning considerations. During its first full year of operation, as a means of encouraging increased land use planning assistance at the State level, the Committee conducted a series of 5 regional land use workshops, attended by a total of over 540 USDA State office officials representing the 50 States. In addition, the Committee made a comprehensive review of all USDA programs

directly related to land use and land conservation. Upon completion of the workshop and review, the Committee issued the publication Land Use Planning Assistance Available Through the U.S. Department of Agriculture.

Also in fiscal year 1974, the Secretary of Agriculture issued a statement on land use policies. In this statement the agencies of USDA are directed to give emphasis to measures for maintaining and improving the Nation's natural resources through the approximately 80 USDA-administered programs that influence private and governmental landholders' land use decisions.

During the year, the Economic Research Service issued a publication on our land and water resources. This study analyzes U.S. land and water resources as a basis for projecting national agricultural cropland and other land needs to the year 2000. And the Land Use Task Force of the National Extension Committee on Organization and Policy completed and distributed educational materials on land resource management useful to land use educational programs throughout the Nation.

Soil Conservation Service (SCS) soil surveys were the object of another effort to improve service to land users and land use planners in fiscal year 1974. Because the rate of completion of field work in survey areas was more than double the rate of publication, SCS implemented automated data programs for storing and recalling soil descriptions and interpretations for specific soil areas as the field work is completed.

To extend its technical expertise to the field in the most direct way, SCS, in fiscal year 1974, assigned nearly 100 agency employees on a fulltime basis to State, substate, and county government agencies. This action, taken under the Intergovernmental Personnel Act, has resulted in extension of expert assistance in a number of subject areas that aid in rural development.

The interdisciplinary team approach to environmental quality planning assistance was also strengthened by SCS to improve the quality of the agency's assistance to States, regional groups, and localities. In addition to bringing together State level and Federal specialists in such disciplines as forestry, agronomy, biology, and conservation, the agency's team approach includes increasing emphasis on involving local people in environmental matters of great consequence locally.

Planning assistance directly related to specific business and industrial development projects was increasingly important in fiscal year 1974 in view of the new business and industrial development funding assistance available under the Rural Development Act. As an example of the coordinated endeavors that can improve the effectiveness of Federal rural development efforts, an Agricultural Research Service Agribusiness Program feasibility study produced favorable findings that led to Farmers Home Administration (FmHA) approval of a Rural Development Act business and industrial loan for establishment of a textile plant in west Texas giving employment to about 500 people.

The ARS Agribusiness Program also plans and conducts commercial demonstrations to accelerate adoption of new products, processes, and equipment. For example, in fiscal year 1974, commercialization of ARS-developed Wurset finish was achieved through a recent year-long demonstration on over 300,000 yards of wool fabrics. The demonstration continued directly into full commercialization with expectancy of adoption by the entire wool fabric industry, affording tangible benefits to American farmers, processors, and consumers.

In fiscal year 1974 and earlier years, USDA also had specific responsibilities for assisting substate planning districts, under the Housing and Urban Development Act of 1968. This act authorized the Secretary to provide technical assistance for comprehensive planning programs of nonmetropolitan districts. USDA's assistance here has been provided in a joint HUD-Agriculture assistance program that was established as a result of the 1968 Act. The result of the combination of USDA technical assistance and HUD financial assistance (the latter discussed below) has been an accelerating use of areawide agencies to establish land use and comprehensive planning programs for nonurban and urbanizing rural communities.

With full implementation of major Rural Development Act of 1972 programs in fiscal year 1974 and with the continuing growth of areawide planning to solve developmental problems that cross traditional jurisdictional boundaries, USDA agencies expanded their services to nonmetro planning districts throughout the year. The Department contributed an estimated 502 man-years of professional and administrative services in the organization and operation of areawide district programs, up from 416 man-years the previous year.

In fiscal year 1974, the Department of Housing and Urban Development's Comprehensive Planning Assistance ("701") program continued as the major source of Federal planning grant funds to rural areas. As in previous years, HUD's support for nonmetropolitan regional organizations was related to its commitment to strengthen the decisionmaking and administrative capability of State and local governments. Programs of regional agencies receiving assistance are intended to address problems resulting from the lack of coordinated development of resources and services in rural areas and to facilitate comprehensive planning for rural development on a continuous basis. HUD 701 funds extended during fiscal year 1974 totaled $6.9 million, down from $8.4 million in fiscal year 1973, and went to 315 nonmetropolitan districts, up from 277 the previous year.

HUD grants are passed through States to nonmetropolitan planning districts, where they are used in part for the following purposes:

*Areawide comprehensive land use planning.

*Planning and technical assistance to local governments.

*Capital improvements programming.

*Areawide housing studies and programming.

*Updating overall planning program designs.

*Regional sewer and water planning.

*Economic and social base studies and action plans.

As a result of enactment of the Housing and Community Development Act of 1974 (P.L. 93-383), all grant recipients will now also carry out an on-going comprehensive planning process, which by August 1977 needs to include a land use element and a housing element. The land use element must have criteria and implementing procedures for directing major growth decisions as well as a general plan indicating the pattern and intensity of land use. It must also specify local goals, annual objectives, and programs designed to meet these objectives as well as evaluation procedures.

While many of the old patterns will remain, two new factors are expected to distinguish the use of HUD planning assistance funds by the locally based nonmetropolitan organizations responsible for the planning and development. These are:

1. An emphasis on pooling talent and resources and the application of areawide governmental mechanisms to save public funds and improve the quality of life in nonmetropolitan America.

2. A growing concern for growth management problems as population trends reverse in selected areas. Regions impacted by new large-scale enterprises seeking energy resources may have especially severe problems. These will range from the need to preserve the environmental conditions previously thought to be impervious to the adverse effects of development to the provision of new and adequate housing for an increased labor force.

The Federal capability for careful planning of developmental projects was further enhanced by promulgation of Principles and Standards for Planning Water and Related Land Resources, published in the Federal Register early in fiscal year 1974 by the Water Resources Council. The Principles and Standards represent the culmination of several years' effort by the member executive branch agencies and are resulting in improved coordination and a higher degree of consistency among Federal agencies evaluating and formulating water and related land-use projects.

Environmental Protection

Protection of the rural environment and the people in that environment was advanced greatly by the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and its 1972 amendments, now being implemented by the Environmental Protection Agency (EPA). In fiscal year 1974, EPA began developing Regulations on Standards for Certification of Pesticide Applicators, subsequently published in fiscal year 1975. An especially important aspect of this work involved joint efforts of EPA and USDA during the year to ensure the most effective

implementation of the new programs. The Extension Service joined EPA in the planning of pesticide applicator training programs to be conducted nationwide. A major tool that will be used is the National Core Training Manual for commercial and private pesticide applicators, developed jointly by EPA and Extension. Also during the year, planning began on a major study now being conducted by an Extension specialist detailed to EPA to develop a method of ascertaining the present knowledge of pesticide applicators about safe use of pesticides, pesticide application equipment, particular hazards, and other factors.

EPA also continued work throughout fiscal year 1974 to improve its services to protect people and the environment from agricultural chemicals, pests, and other hazards. Other significant programs include the pesticide accident reporting and investigation program, the integrated pest management program, the suspect chemical review program, the substitute chemical program, and the pesticides registration program.

An important new effort was the reentry program that became effective on June 10, 1974, with EPA's issuance of Farm Worker Protection Standards. The Standards, which are designed to protect the health of farm workers engaged in hand labor in fields treated with pesticides, ensure that all reasonable precautions will be taken against worker exposure to pesticide chemicals. EPA coordinates the enforcement of the Standards with the Occupational Safety and Health Administration, U.S. Department of Labor, and with State agencies.

Soils monitoring work and epidemiologic studies on the human health effects of pesticide exposure were other important efforts undertaken or supported by EPA during the year to improve the Nation's capability to protect the health and well being of rural residents and the total population.

Additional joint efforts during the year include the continuation of support by the National Science Foundation, USDA, and EPA for research in 19 universitities. The objective of this program is improved understanding of the principal insect pests and their interrelationship with the environment.

Major pollution abatement thrusts of USDA environmental quality research during fiscal 1974 include research on the disposal and use of food and fiber processing wastes, including development of methods for treating wastes and recycling water. Also emphasized were the reduction of pollution and costs of control of pollution from livestock and poultry production and the application of sewerage sludge to land.

Community Facilities and Services

Expanding or upgrading the quality of rural electric and telephone services enhances the economic potential and quality of life in communities, creates jobs, and invites and promotes development. During fiscal year 1974, such benefits continued to result from financing assistance from USDA's Rural Electrification Administration (REA), as the agency set new loan records in helping to meet the capital requirements of its borrowers.

Electric systems financed by REA added 310,690 new consumers, and telephone borrowers added 308,367 new subscribers to their lines.

REA expanded its efforts to improve its services to rural areas through numerous efforts during the year, including strengthening its program for encouraging borrowers to involve more minority groups in their programs and activities.

Helping to minimize the impact of electric and telephone construction on the environment to guard the quality of life for rural people was also an important aspect of the agency's community development work during the year. While continuing its ongoing efforts here, REA also issued a revised policy statement and guidelines to borrowers, to strengthen its position on environmental matters and to encourage appropriate borrower response.

The agency also worked to improve its efforts related to energy conservation problems facing the Nation. An illustrative action here was publication of Residential Electric Comfort Conditioning (REA Bulletin No. 142-1), a guide that discusses energy conservation measures applicable to electrically heated or cooled rural residences.

In addition, to strengthen its assistance aimed at helping improve the quality of management of REA-financed electric systems and thereby the quality of electric service to rural people, REA field personnel conducted training workshops throughout the country in financial forecasting and control techniques. A one-week program was also held during the year for new system managers to provide orientation in good management practices.

Fire protection facilities, community halls, hospitals, schools, nursing homes, water and waste disposal systems, libraries, medical clinics, and recreation centers are major quality-of-life features in all our communities. Under the expanded essential community facilities program authorized in the Rural Development Act, rural communities are receiving financial assistance for these and other essential facilities. In fiscal year 1974, the first full year of implementation of the expanded community facilities program, FmHA made over 1,300 loans totaling nearly $470 million to help build water and waste disposal systems in small rural communities. Some 102 loans amounting to $49.8 million were made for other essential community facilities, ranging from an 80-bed hospital in Maine to expanded city gas lines in an Oklahoma town.

To help ensure maximum agency service on behalf of the new program, FmHA initiated a number of actions to promote coordinated development efforts for rural citizens. The agency initiated work with the Bureau of Outdoor Recreation to solve technical problems that hindered joint funding of recreational projects by the two agencies. In the area of health services, FmHA worked with HEW to ensure that health care facilities proposed for FmHA funding meet Medicare and Medicaid program requirements. FmHA jointly funded projects with the Environmental Protection Agency and the regional commissions during fiscal year 1974, and also began working with the Department of Transportation on possible joint funding of emergency rescue vehicles and rural transportation projects.

Business and Industrial Development

Increased job opportunities and incomes in rural areas are the basics that encourage population retention and growth, provide increased community revenue for public services and facilities, and foster more business activity as the employee and community resource base becomes more and more attractive to firms seeking to locate in rural areas. Under the Rural Development Act, FmHA in fiscal year 1974 awarded nearly $10 million in 136 industrial development grants to local public bodies in small rural communities across the country to buy land; install utilities, access roads, and rail spurs; and make other essential improvements on rural industrial sites. The agency also approved 399 guaranteed loans, totaling nearly $200 million, for development of private business and industry in nonmetro areas.

FmHA participated in a major public service effort of the American Bankers Association (ABA) to facilitate maximum participation in agency guaranteed loan programs, including business and industry, as well as farm programs. The resulting guide published by the ABA was widely distributed to potential lenders and borrowers across the country.

In addition, the agency initiated cooperative arrangements with the Small Business Administration (SBA) to coordinate FmHA loan guarantee efforts with SBA programs and began working on cooperative arrangements with the Economic Development Administration, the regional commissions, and other government groups concerned with economic development of nonmetropolitan areas.

Economic Adjustment Assistance

The President's Economic Adjustment Committee (EAC), which channels Federal resources to assist localities affected economically by Department of Defense (DOD) realignment actions, serves as an important vehicle for development through its projects in rural communities. In fiscal 1974, when one-third of its projects were in rural areas, the EAC continued to assist communities experiencing negative economic impacts caused by military installation closures or personnel reductions. However, during the year the EAC greatly broadened its approach to focus for the first time also on "front end" impacts of DOD actions. An illustrative project relates to the Navy's new Trident Submarine Support Complex being constructed in Kitsap County, Wash. An influx of construction workers followed by permanent military and civilian personnel is expected to result in an almost immediate 24 percent population increase in the area. The EAC is channeling Federal agency grants, including DOD funds the Secretary of Defense has been authorized to use in this case, for construction of the public facilities necessary to accommodate this rapid population increase.

Self-Help Programs for Citizens

Community Action Agencies (CAA's) are multipurpose organizations operating under the former Office of Economic Opportunity in fiscal 1974 and now under

the Community Services Administration. In fiscal year 1974, of the total of 881 CAA's, 444 operated in rural areas. During the year, rural-based CAA's expanded their outreach services in a notable coordination effort, serving as facilitators between Farmers Home Administration and the rural poor, using their packaging and outreach capabilities to extend FmHA housing program benefits to more low-income, rural families. CAA's also performed the catalyst role in the delivery and administration of a wide variety of other Federal programs plus State and local programs.

Cooperatives--people organized to work together for mutual benefits--have been studies in America's economic development through self help since the 19th century. The most successful cooperatives originated and operate in the rural environment, and the co-op form of business is recognized as a way of increasing family income and quality of living in rural areas. In fiscal year 1974, the Farmer Cooperative Service (FCS), USDA, provided a wide range of organizational, economic feasibility, and business operations advisory service, to promote the development of cooperatives in the United States. A major accomplishment to improve the extension and applicability of its assistance was the issuance of a booklet entitled Economic Development Through Cooperatives (Program Aid No. 1088), which provides a workable procedural formula for successful cooperative development.

Volunteers--as catalysts for moving a community toward needed actions and as partners in helping rural residents with problems that cannot be solved by the people alone nor by professionals alone--are also essential to rural development. In fiscal year 1974, ACTION, the executive branch agency for volunteer service, initiated a project in Vermont to stimulate community-based volunteer service that builds on existing local institutions. Sponsored by the University of Vermont, the "University Year for Action" project utilized 51 students as full-time volunteers to assist poor rural communities in northern Vermont. The volunteers, who received college credit for their service, engaged in agricultural extension work, operation of a dental health van to reach isolated families, and an information and referral system to identify, interpret, and determine eligibility of the rural poor for available Federal and State social service programs.

The agency's VISTA program (Volunteers in Service to America), with approximately 42 percent of its fiscal year 1974 budget expended in direct volunteer assistance services to rural areas, also strengthened its commitment to serving rural people on several fronts. The number of VISTA volunteers assigned to rural projects increased to 1,995 in fiscal year 1974 from 1,803 in fiscal year 1973.

VISTA also implemented cross-regional projects wherein volunteers accompanied migratory workers to provide continuous health and referral services to agricultural workers in the "migrant stream" going from southern Texas to the Pacific Northwest. This innovation--which contrasts with earlier projects that assigned one volunteer to the various communities that serve as centers for migratory workers moving northward--has resulted in greatly improved continuity, comprehensiveness, and immediacy of service.

Manpower Development and Employment

The major executive branch effort during the year with respect to manpower development was decentralization of nationally administered manpower programs. With passage of the Comprehensive Employment and Training Act (CETA), manpower programs underwent a basic restructuring that promises to significantly expand and improve the delivery of manpower training services to rural communities. Two aspects of the new law are particularly important for rural communities: the use of formulas to distribute funds under the act; and the flexibility and discretion allowed rural areas in developing programs. Two specialized rural manpower programs under CETA continue to be nationally directed by the Department of Labor--the Migrant/Seasonal Farmworker Program and the Indian Manpower Program.

To expand the effectiveness of the Indian Manpower Program, the Department of Labor established an Office of Indian Manpower Programs, to begin operation at the start of fiscal year 1975. The office was established to help American Indians gain training and employment, and to provide training and technical assistance to help Indian organizations qualify for an estimated $50 million earmarked for Indian programs under CETA during fiscal year 1975. The office is coordinating its activities with other Federal agencies providing services to Indians.

Rural manpower development improvement was also one of the aims of a major study addressed to the Nation's long-time need to know the composition of the country's widespread and varied agricultural and agribusiness occupations. This knowledge is needed for improving the rationale and effectiveness of manpower training, vocational education and labor placement programs, and planning assistance offered to industries seeking rural locations.

In fiscal year 1974, an interdepartmental committee addressing this need identified and validated the Nation's occupations that require agricultural knowledge and skills. The Committee members--USDA, the Departments of Labor and Health, Education and Welfare, and the Census Bureau--studied 90,000 industry-occupational cross classifications, identifying 108 occupations in 201 industries that require knowledge of agriculture. The number of agricultural workers in each industry-occupational category by class of worker was published in a U.S. summary, with State data published in 10 regional volumes. This pioneering effort is the foundation for projections of employment opportunities and training needs, and for development of methods to integrate the data into existing data collection and analysis systems to keep information current.

Indian Affairs

Improvement of services to Indian reservations and their resident rural communities received significant emphasis in fiscal year 1974 through Bureau of Indian Affairs (BIA) actions to give Indian communities a stronger voice in determining the future of the Indian people and their natural resources.

Many of the Bureau's programs--the operation of schools, maintenance of roads, community services and others--were put under direct tribal control through contracts during the year. In addition, responsibility for all program operations of the Bureau was delegated to field offices to create a more direct and responsive service delivery system and to further greater local involvement in resources management and development.

Also, a new budgeting procedure was initiated to enable tribes to set their own priorities for service needs prior to BIA-tribal financial planning meetings.

Toward the end of the year, the Indian Financing Act of 1974 was enacted. The Act is designed to provided needed credit and financing for the development of tribal resources and the establishment or expansion of Indian business enterprises. It authorizes $50 million for a revolving loan fund, $60 million for a loan guaranty and insurance fund, and $30 million for Indian business enterprise grants.

Recreational Opportunities Development

Recreational opportunities provide the dual benefit of increasing the attractions of a given area for current and potential residents and also increasing job opportunities generated by the recreation/tourism industry. The potential for such benefits was enhanced during fiscal year 1974 as the Bureau of Outdoor Recreation (U.S. Department of Interior) began to implement, or to develop strategies for implementing, the 100-plus recommendations in the Nationwide Outdoor Recreation Plan, transmitted to the Congress by the President in December 1973. Methods to improve access to recreational facilities in rural areas will include such steps as encouraging establishment of park and recreation facilities clustered in a manner that would enable them to serve dispersed rural residents. The Plan also fosters increased technical assistance to counties and small cities and advocates better recreation-related management of Federal properties, many of which are within or accessible to rural areas.

Rural area recreation needs are also being addressed through the Land and Water Conservation Fund. In fiscal year 1974, the Fund provided State and local governments with nearly $70 million--42 percent of total Fund obligations--for rural areas for the acquisition and development of outdoor recreation lands and facilities.

As with executive branch efforts in other rural development efforts during the year, the team concept to problem solution was given increased emphasis in recreation-related matters. USDA, Interior, the Department of Transportation, and the States worked together, for example, in coordinated transportation project planning resulting in the review of some 1,500 highway and other transportation projects for their impacts on the rural landscape.

Cooperative recreation management agreements with the Bureau of Outdoor Recreation, the National Park Service, other Federal agencies, and the States also received increased emphasis during the year. An example is the cooperative management actions between the Department of Defense and Interior Depart-

ment agencies with regard to fish and wildlife and recreational facilities on military bases, and transfers of Federal surplus equipment and property to localities for public recreation facilities.

Natural Resource Conservation and Development

Provision of water for irrigation, municipal, and industrial water service, hydroelectric power generation, fish and wildlife habitat enhancement, and recreational uses are some of the benefits to rural America from multipurpose resource development projects undertaken by the Bureau of Reclamation (Interior Department) in fiscal 1974, at the second highest level of funding in the 72-year history of the reclamation program. Throughout the year, the Bureau's public involvement program received increased emphasis in each region. Reclamation instituted various types and degrees of local participation for greater citizen involvement in resource development projects consistent with meeting project objectives.

In USDA, Soil Conservation Service resource conservation and development (RC&D) projects, small watershed projects, cooperative river basin studies, flood hazard studies, and soil surveys continued to contribute to rural development through conservation planning assistance and assistance aimed at careful utilization of natural resources. During the year, strong efforts were made by SCS to encourage RC&D project sponsors to fix boundaries of project areas so as to make them coterminous with areawide comprehensive planning agency areas. In addition to seeking common boundaries to increase coordination of efforts, SCS helped RC&D sponsors enter into memorandums of understanding or agreements for improving coordination with approximately 150 areawide planning agencies.

The Forestry Incentives Program, a joint venture involving USDA's Forest Service and Agricultural Stabilization and Conservation Service and the various State forestry agencies, is now helping smaller private landowners place their forest land under improved forest management. Authorized by the Congress in 1973 and fully implemented in fiscal year 1974, the program provides cost-sharing assistance for tree planting and timber stand improvement by eligible private owners. The Federal share of costs ranges from 50 to 75 percent. By the end of fiscal year 1974, 14,000 private landowners participating in the new program had treated 285,000 acres of forest land.

Housing

Efforts by private lenders and builders augmented by Federal housing assistance programs continue to provide improved housing in rural areas. During calendar year 1974, 619,000 single and multifamily housing units were completed in nonmetropolitan areas. Twenty-one percent of these units were assisted by Federal housing programs--for example, those of the Federal Housing Administration (42,000 units), Veterans Administration (10,000 units), Farmers Home Administration (73,000 units), and Farm Credit Administration (5,000 units). The remaining 489,000 units were financed by private lenders, the principal source of financing for new home construction in rural areas.

Since 1950, our country has experienced an almost continual improvement in housing conditions--especially in rural areas. This improvement has been brought about by the improvement in existing housing and in the construction of new units. During the 1950's, about 375,000 units were built annually in nonmetropolitan areas. This number expanded to 460,000 during the 1960's and increased to about 700,000 during the early years of the 1970's.

The dollar investment in housing in rural areas is of considerable magnitude and has a major effect on the rural economy. In nonmetro areas alone, 10 to 15 billion dollars a year has been invested in new housing the past several years.

Based on the Census definition of substandard housing, Census data show 59 percent of the occupied housing in nonmetro areas was substandard in 1950. By 1970, this percentage had declined to 15 percent, and by late 1973, substandard housing had declined to only about 10 percent. Even though there has been a vast improvement in housing conditions, about 3 million rural households were living in substandard housing in 1970. January 1976 data show that the number may have decreased to about 2 million households.

USDA housing programs continue to play a major role in the improvement of rural housing. During fiscal year 1974, the Farmers Home Administration (FmHA) made loans of nearly $1.8 billion to construct, purchase, or improve more than 100,000 homes and apartments for rural residents of low or moderate income.

To facilitate more rapid and expanded housing activity in rural areas through elimination of differing Federal program requirements, FmHA has since 1970 used the Housing and Urban Development Department's Minimum Property Standards. In fiscal year 1974, FmHA made HUD's new Minimum Property Standards mandatory and also initiated work on adopting HUD's mobile home standards, since under the Housing and Urban Development Act of 1974, FmHA now has authority to make loans on mobile homes.

In 1974, the Housing and Urban Development Department established an Urban Program Coordination Staff under the Assistant Secretary for Community Planning and Development to improve HUD's capacity for participating in coordinated Federal efforts affecting the development of communities of all sizes. This staff also analyzes the problems of small rural communities, recommends ways to coordinate HUD programs, and serves as the point of contact with other agencies on rural problems.

The Urban Program Coordination Staff initiated meetings with the Farmers Home Administration, the Veterans Administration, the Federal Home Loan Bank Board, and representatives of the home building and lending industries, to find ways to meet rural housing needs. Also a team of HUD personnel traveled into nonmetropolitan areas to visit banks, mortgage companies, builders, and realtors operating in small towns and communities, to identify ways to make HUD programs more workable in these places. Under the Department's decentralized program administration system, HUD field staff worked closely with small towns on a regular basis.

A specific HUD objective throughout the year was to identify ways to increase the number of lenders and borrowers taking advantage of available

Federal Housing Administration (FHA) services in rural areas, and to take appropriate initiatives as quickly as possible.

Many specific recommendations for improving HUD services to rural areas arose out of the year's fact-finding actions. One result has been the Federal Housing Administration's development of a simplified handbook that, by clearly identifying basic FHA requirements, gives lenders in one booklet all they need to know to initiate an FHA home loan.

In addition, all HUD field staff have been urged to speed up services in rural areas, and to use the flexibility already built into FHA underwriting standards to take account of the different characteristics of rural properties. Field staff have also been instructed to conduct outreach efforts, including visits to lenders in small towns and rural areas to familiarize them with FHA programs.

In 1974, for the first time, HUD also set aside 36,000 units under the GNMA tandem program specifically for use in nonmetro areas. This action was designed to stimulate home building in small communities and to ensure that rural homebuyers will have an opportunity to take advantage of the below-market interest rates under the tandem program.

Transportation

The Department of Transportation in fiscal year 1974 increased its activities to improve rural transportation facilities, including conducting or contracting for research on rural transit operations and management, use of existing facilities for transporting disadvantaged residents of rural areas, and rural freight problems. In addition, the Department developed implementation guidelines for applicants for the new rural public transportation demonstration program that provides Federal grants for projects establishing or significantly improving rural public transportation service. Also during the year, the Department began the development of policy guidelines on the use of National Mass Transportation Assistance Act of 1974 funds authorized for assistance to areas outside urbanized areas.

Health and Other Human Development Services

The Department of Health, Education, and Welfare, administering several hundred programs that impact on the quality of American life, has continued efforts to improve the delivery of its services to rural people, following the commitment illustrated explicitly by the establishment of the Office of Rural Development (ORD) in fiscal year 1973. ORD is attempting to assure that HEW programs are cognizant of the particular needs of rural people.

During the year, ORD established a formal rural network in each HEW regional office and in a number of HEW agency headquarters. Members of this rural network participated in a training session designed to enhance their capacity to undertake and support rural development activities within their region or agency. In addition, ORD began a study of HEW resource allocation to nonmetropolitan areas (completed in fiscal year 1975). The office also completed site visits to 10 comprehensive human service delivery projects in

rural areas as part of an evaluation effort to identify barriers to service delivery, set criteria for evaluating the efficiency and impact of delivery systems, and extract from these and other sites some generalized elements necessary for successful systems in nonmetropolitan areas.

HEW was also extensively involved in developing guidelines for implementation of major new legislation of particular importance to rural areas. This legislation includes Title III of the Older Americans Comprehensive Services Amendments of 1973; the Health Maintenance Organization Act of 1973; and the Emergency Medical Services Systems Act of 1973.

Further, fiscal year 1974 was the first year of full implementation of the National Health Service Corps, a program for placing health professionals in areas with critical health manpower shortages. By the end of the year, 392 of the 423 sites approved for Corps assignees had been classified as rural.

In another effort to improve health services in health care deficient areas, HEW funded a number of MEDEX and PRIMEX 1/ projects for the training of assistants to the primary care physician. The majority of graduates and trainees of these programs are working with physicians in towns with less than 20,000 population. Two of the PRIMEX projects are Family Nurse Practitioner training programs to prepare graduates to deliver primary care principally in free-standing clinics in rural areas without a previous source of care.

Fiscal year 1974 also saw an increased HEW focus on the use of such modern technology as slow scan TV for X-ray transmission and two-way interactive TV for diagnosis and treatment in rural areas. Both kinds of technology are being used by physician extenders located in remote areas.

Among many other HEW efforts to improve the delivery of services and to facilitate the best use of these services is a demonstration program instituted in fiscal year 1974 to assist State and local general purpose governments to improve their capacities to plan, manage, and evaluate human service programs. As part of this effort, HEW is also analyzing present departmental regulations and administrative procedures to assess which changes could be made to allow State and local governments additional flexibility in utilizing HEW financial assistance and more latitude for increased participation in human resource programs.

Veterans Services

In an outreach effort expressly designed to bring personalized assistance to rural veterans, the Veterans Administration (VA) increased its mobile van services by 100 percent over fiscal year 1973, touring 48 continental States plus Puerto Rico in contrast to 24 States a year earlier. Over 48,576 rural veterans were counseled by Veterans Benefits Counselors in job placement, job training, apprenticeship, education, compensation, pensions, and other VA and non-VA benefits.

VA hospital outpatient services for rural veterans were also extended during the year with the establishment in hospitals in Albuquerque, N. Mex.,

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1/ Respectively, Medical Care Extender and Primary Medical Care Extender.

and Lincoln, Nebr., of telecare systems for regularly contacting isolated and single veterans to ascertain their well-being. Further, in one Nebraska VA hospital, the work staff was significantly expanded to provide post-hospital social services to veterans in 30 Nebraska and 12 Kansas counties, most of which are rural.

The VA also expanded its special rural telephone service, enabling veterans and dependents in rural areas to make toll-free calls to VA regional offices for information and assistance. Thirty-one inward Wide Area Telephone circuits embracing 13 States were added to this service in fiscal year 1974, bringing the toll-free call system to rural areas in 33 States.

An additional example of VA efforts to increase responsiveness to rural veterans' needs was the administrative action taken in fiscal year 1974 that increased the maximum housing loan amount available to rural veterans from $21,000 to $25,000, the statutory limit.

Law Enforcement

During fiscal year 1974, the Law Enforcement Assistance Administration (LEAA), Department of Justice, funded a variety of efforts to counteract specific crime problems in nonmetropolitan communities. For example, LEAA provided grants for radio equipment, rural patrol manpower, and cooperative programs between local and county law enforcement units to reduce the response time to rural crime. These efforts are directed to a number of problems--such as cattle rustling and farm equipment thefts--common in areas characterized by remoteness and great distances between population concentrations.

During the year, six Illinois counties shared a grant to develop the West Central Emergency Rural Theft Deterrence and Apprehension Program formed to combat the upsurge in rural crime--especially residential burglaries and equipment, commodity, and livestock thefts--by strengthening and increasing their patrol activities. A recent project evaluation shows a significant reduction in police response time.

A Rural Crime Squad activated in 1971 to cover 10 counties in west central Missouri received in fiscal year 1974 two grants totaling $38,782. Five investigators, one jail administrator, and a new deputy were added.

A grant of $12,343 went to Project Cattle Guard in Cordell, Okla., to continue a program that investigates thefts in seven Oklahoma counties. In addition, the project educates citizens and law enforcement officers about rural thefts and develops statistics on all lost, strayed, or stolen livestock and stolen tack and farm implements. Recent project reports indicate a 66-percent recovery rate on thefts reported to the Cattle Guard office.

Funding of the first law-focused education project based in a rural area was continued by LEAA in nine Leflore County, Miss., schools. Aimed at instilling respect for the law, the project is for eighth graders and involves visits by criminal justice professionals and law enforcement personnel, dissemination of educational material on our system of law, and training of teachers for followup teaching.

There are about 20,000 local police departments in the United States with 10 officers or less, but most literature at the national level continues to deal with large metropolitan agencies. To help small departments develop good management techniques, LEAA, through the Vermont State Planning Agency, funded a prototype study of the Montpelier Police Department (16 officers) in fiscal year 1974. LEAA's aim in this innovative project is to demonstrate a methodology for police manpower management and initiate dissemination of the model to departments in small communities.

Rehabilitation of juvenile offenders and predelinquent or potentially delinquent young people in rural communities is part of the LEAA-funded Petit Jean Comprehensive Juvenile Services project serving three rural counties in central Arkansas. Petit Jean diverts juveniles from the traditional juvenile justice system by providing an alternative to incarceration. This is being accomplished through efforts to generate improvements in the juvenile justice system through such means as standardization of procedures for juvenile courts; use of court referees with legal backgrounds; improving the system for recording juvenile offenses; and providing legal consultation for offenders. The project includes provision of probation and aftercare services, including counseling and testing for the offender and the family and the use of volunteers from the community to work with the rehabilitation and counseling of juvenile offenders.

Agriculture in Rural Development

In response to this Administration's objective of supporting and promoting a strong agricultural economy, it has encouraged farmers to take advantage of a growing demand for farm products both at home and abroad by:

-Removing acreage restrictions on extensively grown crops.
-Permitting market forces to guide planting decisions, thereby reducing waste in the allocation of agricultural resources.
-Continuing to provide producers with protection against severe price declines (price supports).
-Encouraging maximum feasible exports of farm products (export promotion, foreign market intelligence, short-term export credit, food aid programs, trade negotiations).
-Maintaining production efficiency research at a high level.

The table below summarizes the impact of improved markets and record-large farm output on farm income--most of which goes to rural areas.

Year	Realized gross income from farming	Production expenses	Net income to farm operators
	Billion dollars		
1970	$58.6	$44.8	$13.8
1971	60.6	47.8	12.8
1972	70.1	52.8	17.3
1973	95.3	65.8	29.5
1974	101.1	73.4	27.7

The supply of agricultural credit continued to grow during calendar year 1974. Farm debt outstanding by principal lenders totaled $84.3 billion, an increase of 12.4 percent over calendar year 1973. The Farm Credit Administration lending system and commercial banks held almost one-half of this farm debt. Merchants, dealers, and individuals held 38 percent of the calendar year 1974 farm debt, and the Farmers Home Administration held almost 5 percent.

In fiscal year 1974, for the second straight year, FmHA made more than $1 billion in loans to farmers and ranchers. Operating loans were record high, with $525 million being disbursed to family farmers through 53,865 loans. And under the farm ownership program, FmHA advanced $352.2 million to family farmers through 11,997 loans. Also, some 22,400 loans advanced over $128.3 million to farmers and ranchers adversely affected by natural disaster.

Accelerated FmHA efforts during the year to help farmers secure credit from other lenders generated an additional $490 million in private lender loans, making it possible to serve approximately 6,000 additional low-income farmers through the farm operating and farm ownership loan programs.

These loan programs, plus the wide range of other farmer programs operated by the agency, including resource conservation and development loans, grazing association loans, and Indian land acquisition loans, were included in the numerous efforts undertaken by FmHA in fiscal 1974 to improve its services to the public. In addition to those efforts reviewed previously, the agency translated into Spanish a number of leaflets describing its programs, and distributed them widely in all areas of the country with significant numbers of Spanish-speaking residents. FmHA also began a complete rewriting of all agency program instructions in fiscal 1974, for the purpose of simplifying and consolidating them to expedite processing of loans and speed up service to the public.

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In the foregoing pages of this, my first report to the Congress on Government Services to Rural America, I have reported on actions taken to improve services to rural communities before I came into office. Subsequently, these actions have been continued and expanded. With these actions and the increasing evidence of rural progress on many important fronts, it can no longer be said that our rural people are being left behind. As evidence of this progress, nonmetropolitan employment grew almost twice as fast as metro employment from 1970 to 1975. Also, during 1970-74, the nonmetro population growth rate exceeded the metro rate for the first time this century. These and other indicators are striking evidence of the improvement in rural America's ability to retain and attract residents looking for a good life.

There are many explanations for the surge in rural development. These include:

* The 1960's youth movement and back-to-the-country movement.

* The general, seemingly inexorable increase in the complexity of life in overcrowded cities.

* The practical search for amenable locations for new or expanding businesses and the trend toward decentralization of manufacturing and other industry.

* Increased settlement of retired people in rural areas and small towns.

* Expansion of State colleges.

* The increasing search for ways to maintain small farms through the help of nonfarm incomes.

* The new determination of rural people that their heritage shall not be simply a part of their history.

The Federal Government will continue in its efforts to improve the quality of life in rural America through support and encouragement of the development that is so clearly now a part of our rural communities. As in the past, however, it is the local people themselves, through their own initiatives and energies, who must determine the manner in which their communities will grow and change. Government must not intrude on this basic American right.

Part II

GOVERNMENT SERVICES TO RURAL AMERICA MEASURED BY FEDERAL OUTLAYS, FISCAL YEAR 1974

SUMMARY

This part of the report examines the distribution of Federal outlays in fiscal year 1974 among U.S. counties grouped along an urban-to-rural dimension, with the most urban county group being core counties of large metropolitan areas and the most rural represented by totally rural nonmetropolitan counties not adjacent to a Standard Metropolitan Statistical Area (SMSA). The Federal outlay distribution is also presented across counties grouped by census regions and by rate of recent (1970-73) population growth. The distribution of outlays is compared with the distribution of the population. Tnis comparison is used to calculate per capita outlays among the county groups.

Federal outlays selected for this analysis totaled $62 billion in fiscal year 1974 and are from 182 programs grouped into four major program groups: human resource development, community and industrial development, housing, and agriculture and natural resources.

In the aggregate across all 182 programs and the 4 program areas, per capita Federal outlays were higher in nonmetro counties ($329) than in metro counties ($283). However, the overall metro-nonmetro difference results from the inclusion of the highly rural-oriented agriculture and natural resource programs, whose per capita total was $88 in nonmetro counties in contrast to only $10 in metro counties. While the population in metro counties comprised 72.6 percent of the U.S. total, 69.5 percent of the selected Federal outlays accrued to metro counties. If agriculture and natural resource programs are omitted from this analysis, 75 percent of the outlays accrued to metro counties.

While outlays for agriculture and natural resources greatly favored nonmetro counties, per capita housing outlays in nonmetro counties were only 59 percent of the metro figure. Per capita outlays for human resource development favored metro counties; outlays for community facilities were roughly equal in metro and nonmetro counties; and outlays for industrial facilities and highways favored nonmetro counties.

Among the 10 metro and nonmetro categories of counties, per capita outlays were highest ($506) in the totally rural counties not adjacent to an SMSA, where outlays for agriculture and natural resources totaled $196 per capita, or over six times the national average. Among the nonmetro groups, per capita outlays were lowest in the most urbanized counties adjacent to an SMSA. This results from the low outlays for agriculture and natural resources accruing to these relatively urban, nonmetro counties.

Among the metro county groups, per capita Federal outlays were highest in the core counties of greater metro areas (those with 1 million or more people)--$317 per capita. They were lowest in fringe counties of the same large metro areas--$197. The low per capita outlays in the suburban counties of greater metro areas largely result from small outlays for human resource development. This is particularly so for welfare and health payments, reflecting the higher incomes and relative lack of poor and elderly people in suburban counties.

Regionally, per capita Federal outlays were highest in the West ($384) and lowest in the Northeast ($256). Selected per capita outlays in the West were 30 percent above the U.S. average and 50 percent above the Northeastern figure. The large interregional differences are due in part to differing magnitudes of eligible populations for human resource programs, different demand for housing funds, differences in the density of population (a factor that greatly influences differences in per capita outlays for highways), and differences in the importance of agriculture in the regional economies.

The analysis by county growth rates showed that per capita outlays in fiscal year 1974 were greatest ($422) in nonmetro counties that lost population during 1970-73 and lowest ($269) in metro counties that grew during the same period. Among nonmetro counties, those with declining populations during 1970-73 had per capita Federal outlays over one-third higher than nonmetro counties that grew over the 3-year period. This overall difference results from the large per capita outlays for agriculture and natural resources in declining nonmetro counties--$174 compared with $74 in growing nonmetro counties.

Among metro counties grouped by recent population growth rates, per capita outlays in declining metro counties ($311) were $15 higher than in metro counties experiencing recent population growth. This difference results from greater outlays for human resource development in the declining counties ($137) than in the growing counties ($74) despite greater housing outlays in the growing counties.

INTRODUCTION

The objective of this part of the report is to analyze the distribution of Federal outlays among urban and rural areas in fiscal year 1974. The data source is the county file of the Federal outlay data tapes. This file is prepared annually by the Community Services Administration (CSA) (successor agency to the former Office of Economic Opportunity) and represents a compilation of outlay data at the county level from all Federal agencies. CSA publishes these data in State volumes of Federal Outlays.

Since counties are the units of analysis, they were grouped along an urban-to-rural dimension to permit comparison of the distribution of outlays for selected programs and groups of programs and the distribution of the population in terms of rural and urban character. The distribution of Federal outlays was also computed for counties by census regions and by 1970-73 population growth rates.

This approach of comparing the distribution of Federal outlays with that of the population distribution across the urban-to-rural dimension of counties was used extensively in the Fourth Annual Report. The appendix to the Fifth Annual Report contained fiscal 1973 data by these county groups.

Although similar in approach, the analysis here differs from that in earlier reports in examining fewer Federal programs. In previous reports, five major program types were studied: agriculture and natural resources, defense, human resource development, community development, and housing. The present analysis does not deal with programs of defense but concentrates instead on programs for human resource development (such as education, welfare, and manpower training and development), community and industrial development grant and loan programs, housing programs, and agriculture and natural resource programs.

Why Outlay Data Are Used to Measure Availability of Services to Rural Areas

This part of the report is in response to the Agricultural Act of 1970 901 (e) directive to the President to report annually to the Congress on the availability of a broad range of government and government-assisted services to rural areas. To measure and report on this availability at any point in time, however, is an undertaking of enormous magnitude characterized by technical difficulties and prohibitive costs that have made it necessary to rely on this outlays analysis to indicate the extent to which Federal agencies deliver services and resources to rural areas.

Thus, this reporting effort is limited to Federal services as opposed to services of all units of government (town, county, areawide, State), and it does not analyze the literal availability, or presence, of particular services or resources developed from those services in rural areas.

Reasons for the approach taken relate, first, to the great number of governmental units within the United States, the wide array of service activities these units perform, and problems of measuring the availability of individual services and finding units of common measurement across all services. For instance, aside from the Federal Government, there are over 30,000 State and local governmental units offering services ranging from planning and financing sewer systems to building parks and playgrounds and financing local cultural activities. Some government or government-assisted services are provided in well-defined units for well-defined recipients, such as number of telephones and sewer hookups. Other services are provided in defined units but the recipients of these services may be the entire U.S. population. An example is the Federal Highway system.

One alternative for measuring the availability of government services to rural areas is to conduct a massive survey of all governmental units providing services to rural areas with regard to what services they provide and how much of each service is provided; that is, measure the stock of services available at a given point in time. The survey could provide data such as: number of housing units financed through direct government loans or loans insured or

guaranteed by a government unit; number of sewer and water hookups provided by publically funded water and sewer systems; amount of police and fire protection; number of people receiving public assistance and the level of that assistance; number of homes provided telephones and electricity through government-assisted projects; number of persons receiving medical services through the public health service; and number of students in the public school system. The cost of this approach would be prohibitive, either one time or annually--and the Congress has called for annual reporting on the subject under discussion.

A second possible approach would be to annually examine the budgets of State and local governments for their expenditures by function, and to report on results in conjunction with Federal outlays analysis results. Such examination of State and local budgets is, in essence, the purpose of the Census of Governments undertaken every fifth year on a calendar year basis by the Bureau of the Census but not reported until long after the study year has passed. Again the expense of this approach would be prohibitive.

A third approach, and as indicated earlier, the approach used here as in previous reports, is to utilize the Federal outlay data. These data, which are collected from all Federal agencies by the Community Services Administration for each fiscal year, represent the most comprehensive statistical information available concerning the Federal Government's efforts to provide services to all Americans. Although the information does not include State and local outlays, it does include Federal support of State and local governments and private agency activities through direct transfers (such as revenue sharing funds) and matching grants (such as public assistance grants and water and sewer grants). Tne Federal outlay data do clearly represent the Federal Government's efforts to provide services. 2/ For instance, grants and loans for water and sewer systems measure Federal efforts to increase publically financed water and sewer systems. Title I (Elementary and Secondary Education Act of 1965) education funds represent the Federal Government's efforts to provide education services to the disadvantaged.

Other reasons for using the Federal outlay data in this report include the following: (1) the data are available annually at little additional cost to Federal agencies, (2) previous reports have used this data, and their continued use will provide year-to-year comparisons of the Federal Government's efforts to increase the availability of government services, and (3) the outlays represent a common unit of services provided across programs and over time.

2/ Included in the Federal outlay data used here are guaranteed and insured loan commitments, which are loan commitments extended by private banking and credit sources only upon a promise by the Federal Government to repay all or part of those loans which default. Although they are not actual Federal outlays they are important Federal fiscal instruments in helping to provide public and private services. Further, program financial measures reported by Federal agencies vary among programs, from obligations in some cases to budget outlays in others.

Federal Outlay Data and the Catalog of Federal Domestic Assistance

In this report, a large percentage of the programs appearing in the Federal outlay tables were matched with the program listing in the 1974 Catalog of Federal Domestic Assistance, published annually by the Office of Management and Budget. The program number from the Catalog for all matched programs appears along with the distribution of outlays in the tables. This catalog number can be used to find the programs' description of objectives, types of assistance, uses and use restrictions, eligibility requirements, application and award processes, formula and matching requirements, length and time phasing of assistance, financial obligations in the previous fiscal year, program accomplishments during the previous fiscal year, regulations, guidelines, literature references, and information contacts.

The matching of programs appearing in the outlay data with those in the Domestic Catalog was not always successful. Matching was unsuccessful for all programs of the Department of Housing and Urban Development and the Veterans Administration. However, it was successful for most programs in the Departments of Health, Education, and Welfare; Agriculture; Interior; Commerce; Labor; Justice; and Transportation; and the Small Business Administration, the Appalachian Regional Commission, and the Environmental Protection Agency.

Classification of Counties

The primary delineation of counties for this analysis was along the urban-to-rural dimension used extensively in the Fourth and Fifth Annual Reports as well as in other recent U.S. Department of Agriculture research publications. 3/ The social and economic characteristics among these county groups are summarized in table 1.

Metro and nonmetro counties were also grouped according to census region and by their recent (1970-73) population growth rate. These delineations of counties make possible the study of the distribution of Federal outlays among regions and among counties experiencing different rates of recent population changes.

Selection and Classification of Programs

From the list of all Federal programs included in the Federal outlays file, 182 programs were selected for analysis. These programs amounted to $62.0 billion (20.4 percent) of the total Federal outlays of $303.5 billion.

3/ Hines, Fred K., David L. Brown, and John M. Zimmer, Social and Economic Characteristics of the Population in Metro and Nonmetro Counties, 1970. Econ. Res. Serv., U.S. Dept. Agr., Agr. Econ. Rpt. No. 272, Mar. 1975.

Table 1--Selected characteristics of counties within metro and nonmetro county groups

Item	Total	Metropolitan					Nonmetropolitan						
		Total	Greater			Medium	Lesser	Total	Urbanized		Less urbanized		Totally rural	
			Total	Core	Fringe				Adjacent	Nonadjacent	Adjacent	Nonadjacent	Adjacent	Nonadjacent
Number of counties	3,097	612	175	48	127	258	179	2,485	191	137	564	721	246	626
Population, 1973 (Thous.)	209,852.7	152,251.3	85,896.5	59,298.2	26,598.3	47,995.2	18,359.6	57,601.4	14,597.2	7,969.8	13,921.1	14,096.4	2,454.6	4,562.3
Growth rate, 1970-73 (Pct.)	3.2	2.8	1.7	0.2	5.1	4.1	5.1	4.3	4.5	4.2	4.6	3.6	5.4	4.2
Net migration rate, 1970-73 (Pct.)	0.9	0.3	-0.6	-1.9	2.4	1.5	2.1	2.2	2.0	1.2	2.9	1.8	3.8	2.9
Population, 1970 (Thous.)	203,212.9	147,996.3	84,464.8	59,168.5	25,296.3	46,078.2	17,453.3	55,216.5	13,966.8	7,644.3	13,307.4	13,598.0	2,325.4	4,374.7
Percent of U.S.	100.0	72.8	41.6	29.1	12.4	22.7	8.6	27.2	6.9	3.8	6.5	6.7	1.1	2.2
Average per county	65,616	241,824	482,656	1,232,677	199,184	178,598	97,505	22,220	73,125	55,798	23,595	18,860	9,453	6,988
Growth rate, 1960-70 (Pct.)	13.3	17.0	17.1	11.3	33.5	17.5	15.4	4.4	12.3	7.8	4.0	-0.5	0.4	-4.4
Net migration rate, 1960-70 (Pct.)	1.7	4.7	5.4	0.5	19.3	4.5	1.9	-5.6	1.0	-5.2	-5.2	-9.7	-7.8	-12.2
Median family income, 1969 (Dols.)	9,590	10,406	11,034	10,591	11,990	9,838	8,976	7,615	8,701	8,086	7,456	7,094	6,412	6,142
Median family income, 1959 (Dols.)	5,660	6,211	6,620	6,481	6,998	5,816	5,355	4,278	5,135	4,820	4,053	3,920	3,270	3,245
Growth rate, 1959-69 (Pct.)	69.4	67.5	66.7	63.4	71.3	69.2	67.6	78.0	69.4	67.8	84.0	81.0	96.1	89.3
Census region:	Percent distribution of counties within group													
Northeast	7.0	16.3	21.7	33.3	17.3	19.0	7.3	4.7	20.4	5.8	5.5	3.0	2.0	1.9
North Central	34.1	29.1	35.4	25.0	39.4	24.4	29.6	35.3	29.8	30.7	34.6	36.6	22.0	42.3
South	44.8	44.1	29.7	18.8	33.8	48.8	51.4	44.9	36.1	41.6	52.8	43.6	63.4	35.6
West	14.1	10.5	13.1	22.9	9.4	7.8	11.7	15.1	13.6	21.9	7.1	16.8	12.6	20.1
Per capita income, 1969:														
Lowest decile	10.0	1.8	0.0	0.0	0.0	1.9	3.4	12.0	1.6	2.2	9.9	9.4	21.5	18.5
2nd to 5th decile	40.0	15.4	6.8	0.0	9.4	18.2	19.6	46.1	24.6	26.3	47.5	49.5	52.4	49.2
6th to 9th decile	40.0	48.4	36.6	22.9	51.7	48.1	60.3	37.9	63.9	67.2	40.2	38.6	22.4	26.8
Highest decile	10.0	34.5	56.6	77.1	48.8	31.8	16.8	4.0	9.9	4.4	2.3	2.5	3.7	5.4
Population, 1970:														
100,000 and over	11.1	51.1	63.4	100.0	49.6	45.3	47.5	1.3	14.6	2.9	0.0	0.0	0.0	0.0
50,000 to 99,999	10.8	19.0	14.8	0.0	20.5	19.4	22.3	8.8	62.3	53.3	2.6	1.8	0.0	0.0
25,000 to 49,999	18.2	17.0	14.3	0.0	19.7	22.5	11.7	18.5	23.0	42.3	35.5	20.5	2.0	0.6
10,000 to 24,999	32.1	9.3	6.3	0.0	8.7	10.1	11.2	37.7	0.0	1.4	55.0	58.1	35.4	19.0
5,000 to 9,999	17.5	2.9	0.6	0.0	0.8	2.7	5.6	21.1	0.0	0.0	6.0	19.2	44.7	39.9
2,500 to 4,999	6.8	0.5	0.0	0.0	0.0	0.0	1.7	8.4	0.0	0.0	0.9	1.4	11.4	26.4
Less than 2,500	3.4	0.2	0.6	0.0	0.8	0.0	0.0	4.2	0.0	0.0	0.0	0.0	6.5	14.1

Source: Census of Population, 1970 and Current Population Reports, Series P-26.

The 182 programs were classified into four general program categories: human resource development, housing, community and industrial development, and agriculture and natural resources. Outlays from these four major program types are as follows:

General program type	Selected programs	Federal outlays FY 1974	
	No.	Bil. dol.	Pct. of total
Human resource development.....	64	19.4	31.4
Housing.....	26	15.4	24.9
Community and industrial development.....	50	20.5	33.0
Agriculture and natural resources.....	42	6.6	10.7
Total.....	182	62.0	100.0

Each general program category was divided into several specific program categories, which grouped together Federal programs having a common objective. For example, under the general heading of human resources, outlays were grouped for welfare ($9.2 billion); education ($2.4 billion); health ($7.2 billion); and manpower training and employment ($0.6 billion).

Outlays for housing were broken down by government agency: the U.S. Departments of Agriculture, Interior, and Housing and Urban Development, and the Veterans Administration. Outlays for community and industrial development were divided by expenditures for community development, industrial development, and national highways. Agriculture and natural resource outlays included direct payments to farmers (such as those from the wheat and feed grain programs), cropland diversion, selected appropriations (such as those for administering the programs of the Farmers Home Administration and the Rural Electrification Administration) and natural resource and conservation programs of the Departments of Agriculture and Interior. More detail on the classification of the 182 individual programs can be found in the following sections.

DISTRIBUTION OF FEDERAL OUTLAYS

Metro and Nonmetro Distribution

Based on the distribution of the population in 1973, the distribution of selected Federal outlays in fiscal year 1974 favored nonmetro counties.

While the population in metro counties comprised 72.6 percent of the U.S. total, 69.5 percent of the selected Federal outlays accrued to metro counties (table 2). Therefore, on a per capita basis, the selected Federal outlays totaled $283 in metro counties, compared with $329 in nonmetro counties (table 3). For the selected programs per capita outlays in nonmetro counties were 16 percent higher than in metro counties and 11.5 percent higher than the U.S. average (fig. 1). However, these distributions result from including the highly rural-oriented agriculture and natural resource program in the set of selected programs. If these programs are excluded, per capita outlays were higher in metro than in nonmetro counties.

The mix of Federal outlays among metro and nonmetro counties was quite different. Aside from the much higher per capita outlays for agriculture and natural resource programs in nonmetro counties, per capita housing outlays strongly favored metro counties, with the nonmetro figure being only 59 percent of the metro figure. While outlays for human resource development favored metro counties, per capita outlays for community facilities were roughly equal in metro and nonmetro counties, and outlays for industrial facilities and highways favored nonmetro counties.

Among the 10 metro and nonmetro groupings in figure 1, per capita outlays were lowest ($197 per capita) in the fringe counties of greater metro areas (areas of 1 million or more people) and highest in the totally rural nonmetro counties not adjacent to an SMSA ($506 per capita). That is, per capita outlays were highest for the most rural county group and lowest in the fringe counties of the largest metro group, which represents the most urban group. Per capita outlays in the fringe (suburban) counties of greater metro areas represented only 62 percent of per capita outlays in the core counties of the same size metro areas and 67 percent of the U.S. average. The low per capita outlays in the suburban counties of greater metro areas in large part result from small outlays for human resource development, particularly welfare and health payments. Of course, this is a reflection of the higher incomes and lower incidence of poor and elderly people in suburban counties.

Regional Distribution

Regionally, per capita Federal outlays were highest in the West ($384) and lowest in the Northeastern region ($256). Selected per capita outlays in the West were over 30 percent above the U.S. average and 50 percent above the Northeastern figure (table 4). This large interregional differential is in large part due to different demands for housing funds, differences in the density of the population (accounting partly for differences in per capita outlays for highways), and the lack of importance of agriculture and natural

Table 2--Percent distribution of Federal outlays for 4 program areas, by metro and nonmetro counties, fiscal year 1974

Program type	Total	Metropolitan						Nonmetropolitan						
		Total	Greater			Medium	Lesser	Total	Urbanized		Less urbanized		Totally rural	
			Total	Core	Fringe				Adjacent	Nonadjacent	Adjacent	Nonadjacent	Adjacent	Nonadjacent
	Mil.	Percent of U.S.												
Population, 1973	209.9	72.6	40.9	28.3	12.7	22.9	8.8	27.5	7.0	3.8	6.6	6.7	1.2	2.2
	Mil. dols.													
Human Resource Development														
Welfare	9,185.4	74.1	47.4	40.7	6.7	19.3	7.4	26.0	5.5	3.3	6.0	7.1	1.3	2.8
Education	2,410.2	68.4	39.1	32.1	7.0	20.7	8.6	31.6	5.9	4.7	7.1	8.8	1.5	3.7
Health payments, service and facilities	7,181.7	78.0	51.1	44.4	6.8	19.8	7.0	22.0	5.1	3.3	4.9	5.9	1.0	1.9
Manpower training and employment opportunity	601.8	82.5	30.2	28.2	2.0	41.9	10.4	17.5	7.0	3.3	2.0	3.6	.3	1.3
Other 1/	66.6	89.3	62.1	56.3	5.9	20.9	6.4	10.7	2.3	3.5	1.1	1.0	.3	2.5
Total	19,445.7	75.1	47.2	40.6	6.6	20.4	7.5	24.9	5.5	3.5	5.6	6.7	1.2	2.5
Housing														
Department of Agriculture	1,766.5	27.6	5.9	1.1	4.8	12.2	9.5	72.4	12.3	7.4	17.5	22.0	4.7	8.5
Department of Interior	10.6	26.4	11.8	7.7	4.1	11.0	3.7	73.6	8.1	11.4	13.2	18.9	2.6	19.4
Department of Housing and Urban Development	5,599.4	85.4	46.4	35.6	10.8	30.4	8.7	14.6	4.6	4.3	2.2	2.8	.2	.5
Veterans Administration	8,040.3	90.7	51.3	35.1	16.4	28.8	10.4	9.3	3.7	2.3	1.6	1.3	.2	.3
Total	15,416.8	81.5	44.4	31.4	13.0	27.5	9.7	18.5	5.0	3.6	3.7	4.2	.7	1.3
Community and Industrial Development														
Community Facilities	12,784.0	73.8	37.6	29.4	8.2	27.1	9.1	26.2	6.7	3.4	5.5	6.5	1.4	2.8
Industrial Facilities	2,356.3	60.1	35.1	25.4	9.7	17.0	8.1	39.9	7.3	6.1	8.7	11.2	2.6	4.0
Highways	5,359.8	65.3	34.6	25.6	9.0	21.8	8.9	34.7	6.1	4.3	8.0	9.5	1.8	5.2
Total	20,502.1	70.0	36.5	27.9	8.6	24.6	8.9	30.0	6.6	3.9	6.5	7.8	1.7	3.5
Agriculture and Natural Resources														
Direct Payments	2,447.9	16.9	2.5	0.3	2.2	8.2	6.3	83.1	8.1	6.6	19.0	28.2	5.1	16.1
Cropland Division	47.3	16.5	4.1	0.4	3.6	7.0	5.4	83.5	6.5	5.7	21.6	27.8	6.7	15.2
Farm Loans	2,127.9	14.3	3.2	1.8	1.5	6.9	4.2	85.7	6.6	6.8	25.0	28.3	5.0	13.9
Selected Appropriations	925.9	41.5	22.3	18.0	4.3	10.8	8.5	58.5	7.2	9.1	10.3	18.9	3.1	9.9
Natural Resources and Conservation	1,094.2	41.5	17.2	12.0	5.2	16.0	8.2	58.5	7.9	10.0	7.9	21.6	1.6	9.5
Total	6,643.1	23.6	7.9	5.2	2.8	9.4	6.2	76.5	7.5	7.6	17.9	25.9	4.2	13.5
GRAND TOTAL	62,007.1	69.5	38.8	30.3	8.5	22.3	8.4	30.5	5.9	4.1	6.7	8.5	1.5	3.7

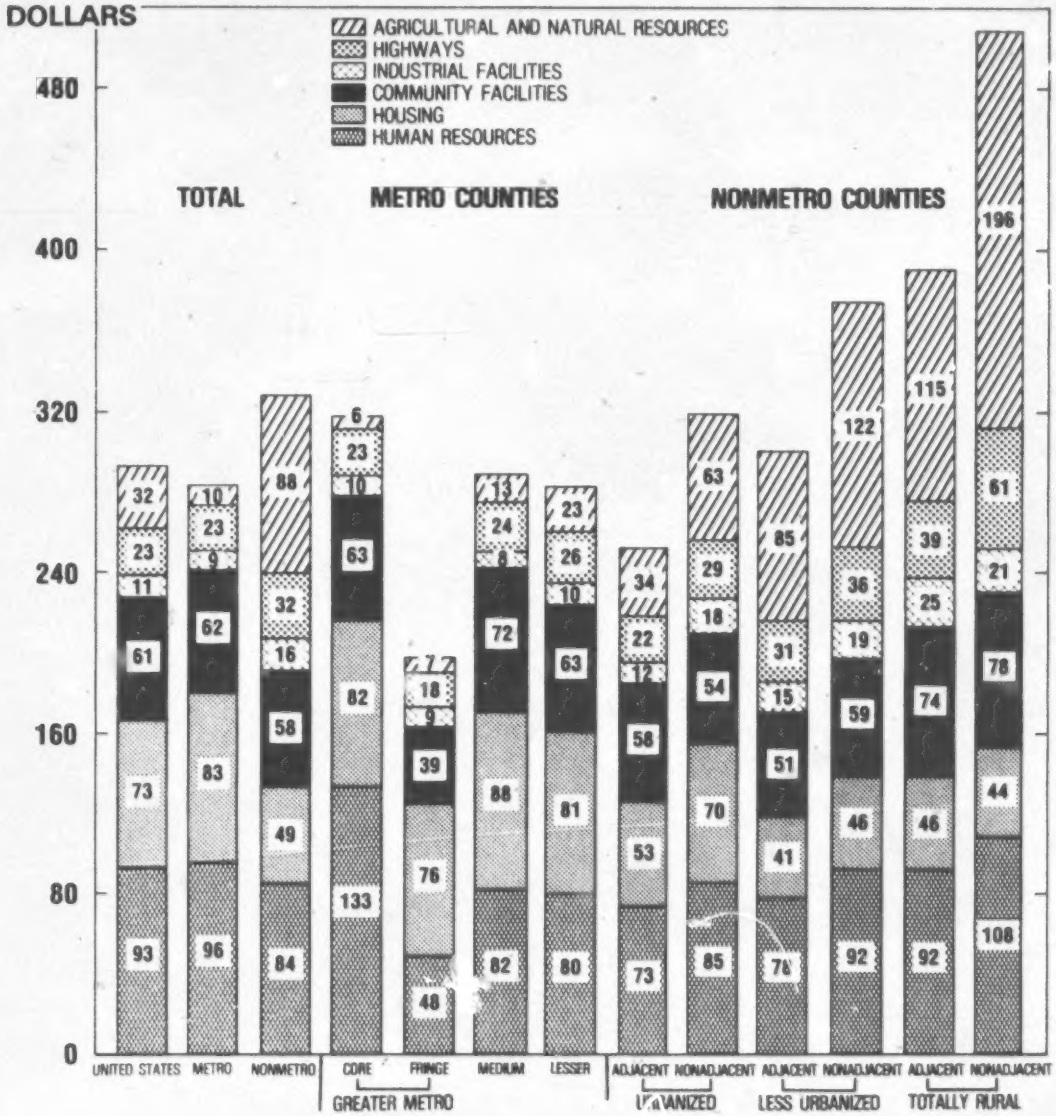
1/ Legal Services and Older Persons Opportunities and Services. Source: Community Services Administration.

Table 3--Per capita Federal outlays for 4 program areas, by metro and nonmetro counties, fiscal year 1974

Program type	Total	Metropolitan					Nonmetropolitan						
		Total	Greater			Medium	Lesser	Total	Urbanized		Less urbanized		Totally rural	
			Total	Core	Fringe				Adja-cent	Nonad-jacent	Adja-cent	Nonad-jacent	Adja-cent	Nonad-jacent
	Dollars per capita 1/													
Human Resource Development														
Welfare	44	45	51	63	23	37	37	41	35	38	39	46	48	56
Education	11	11	11	13	6	10	11	13	10	14	12	15	15	19
Health payments, service and facilities	34	37	43	54	18	30	27	27	25	29	25	30	28	30
Manpower training and employment opportunity	3	3	2	3	2/	5	3	2	3	2	1	2	1	2
Other	2/	2/	2/	1	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/
Total	93	96	107	133	48	82	80	84	73	85	78	92	92	108
Housing														
Department of Agriculture	8	3	1	2/	3	4	9	22	15	16	22	28	34	33
Department of Interior	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/
Department of Housing and Urban Development	27	31	30	34	23	35	26	14	18	30	9	11	5	6
Veterans Administration	38	48	48	48	50	48	46	13	20	23	9	7	7	5
Total	73	83	80	82	76	88	81	49	53	70	41	46	46	44
Community and Industrial Development														
Community Facilities	61	62	56	63	39	72	63	58	58	54	51	59	74	78
Industrial Facilities	11	9	10	10	9	8	10	16	12	18	15	19	25	21
Highways	26	23	22	23	18	24	26	32	22	29	31	36	39	61
Total	98	94	87	97	66	105	99	107	93	101	96	113	138	159
Agriculture and Natural Resources														
Direct Payments	12	3	1	2/	2	4	8	35	14	20	33	49	51	87
Cropland Division	2/	2/	2/	2/	2/	2/	2/	1	1/	1/	1	1	1	2
Farm Loans	10	2	1	1	1	3	5	32	10	18	38	43	44	65
Selected Appropriations	4	3	2	3	1	2	4	9	5	10	7	12	12	20
Natural Resources and Conservation	5	3	2	2	2	4	5	11	6	14	6	17	7	23
Total	32	10	6	6	7	13	23	88	34	63	85	122	115	196
GRAND TOTAL 1/	295	283	280	317	197	289	283	329	252	319	300	374	390	506

1/ Because of rounding individual figures may not add up to totals.
2/ Less than $0.50.
Source: Community Services Administration.

PER CAPITA FEDERAL OUTLAYS FOR ALL SELECTED PROGRAMS, FISCAL YEAR 1974



U.S. DEPARTMENT OF AGRICULTURE

NEG. RDS 55-76(4) RURAL DEVELOPMENT SERVICE

Figure 1

Table 4--Per capita Federal outlays for 4 program areas, by U.S. census region, fiscal year 1974

Program type	U.S. total	Northeast			North Central			South			West		
		Total	Metro	Non-metro	Total	Metro	Non-metro	Total	Metro	Non-metro	Total	Metro	Non-metro
	Dollars												
Human Resource Development													
Welfare	44	49	51	35	39	43	29	40	35	48	52	52	55
Education	11	11	11	7	8	8	8	14	12	17	13	12	18
Health payments, service and facilities	34	49	51	31	29	32	22	27	25	30	36	38	30
Manpower training and employment opportunity	3	3	3	1	2	3	2	3	4	1	4	3	5
Others	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/
Total	93	111	117	75	79	87	61	84	76	96	106	105	109
Housing													
Department of Agriculture	8	5	2	21	8	3	19	11	4	23	8	3	29
Department of Interior	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1
Department of Housing and Urban Development	27	16	17	9	26	31	13	27	36	14	42	47	22
Veterans Administration	38	17	18	12	23	30	8	46	65	14	77	92	22
Total	73	38	37	43	57	65	40	84	105	51	128	142	73
Community and Industrial Development													
Community Facilities	61	75	77	64	53	52	57	58	61	54	58	55	73
Industrial Facilities	11	10	10	15	12	9	19	10	8	14	13	12	20
Highways	26	18	16	28	20	18	24	32	34	28	33	24	72
Total	98	103	103	107	85	79	99	100	103	95	105	90	164
Agriculture and Natural Resources													
Direct Payments	12	1/	1/	1	20	4	56	13	4	29	10	3	36
Cropland Division	1/	1/	1/	1/	1/	1/	1	1/	1/	1	1/	1/	1
Farm Loans	10	1	1/	7	16	2	44	14	3	32	7	3	22
Selected Appropriations	4	1	1	4	3	2	6	5	4	7	9	4	32
Natural Resources and Conservation	5	1	1	3	2	1	5	4	3	5	18	9	56
Total	32	4	2	16	42	10	112	36	14	73	44	18	147
GRAND TOTAL	295	256	259	240	263	240	312	304	297	316	384	356	493

1/ Less than $ .50.

Source: Community Services Administration.

resources outlays in the Northeast relative to the West. Housing outlays were over three times as great, on a per capita basis, in the West as in the Northeastern region and per capita outlays for agriculture and natural resources in the West were 11 times as great as those in the Northeast. However, per capita outlays for human resource development programs were largest, on a regional basis, in the Northeast, suggesting the greater incidence of recipients and higher levels of payments for welfare and health programs.

Distribution by Recent Growth Rates

Per capita outlays across all selected programs in fiscal year 1974 were greatest ($422) in nonmetro counties that lost population during 1970-73 (table 5). Among metro counties grouped by 1970-73 growth rates, per capita outlays were 13.5 percent higher in the declining counties ($311) than in growing metro counties ($269). Among the nonmetro county growth groups, the large per capita difference was due to agriculture and natural resource outlays, which were over twice as great on a per capita basis in declining counties ($174) as in growing counties ($74). On the other hand, the per capita difference among metro counties was largely attributable to per capita human resource development outlays, which were twice as high in declining metro counties ($137) as in growing metro counties ($74). This difference, in turn, is in part explained by differences in the incidence of persons eligible for such programs. For instance, declining metro counties are mostly counties containing the central city of large SMSA's that have a high proportion of female-headed families, many of whom are eligible for welfare under the Aid-to-Families-With-Dependent-Children program (AFDC program) as well as the Food Stamp program and health payments under Medicaid.

Distribution by Program Type

Human Resource Development Outlays

Selected human resource development outlays totaled $19.4 billion in fiscal year 1974 and were comprised primarily of Federal grants to States amounting to $9.2 billion for welfare payments, food stamp bonus coupons, and other welfare related programs; and $7.2 billion for health payments, services, and facilities (table 2); $5.8 billion of the latter figure was for Medicaid payments (table 6). Of the $2.4 billion in selected education funds, $1.4 billion was for title I funds for the education of deprived children.

On a per capita basis, human resource development outlays were higher in metro counties than in nonmetro counties and higher in the core counties of greater SMSA's than in any other county group (fig. 2). They were lowest in the fringe counties of the same size SMSA's. Regionally they were highest, on a per capita basis, in the Northeast and lowest in the North Central region (table 4). And they were highest in declining metro counties and lowest in metro counties experiencing recent growth with net inmigration (table 5).

Table 5--Per capita Federal outlays in fiscal year 1974 accruing to metro and nonmetro counties, by population change, 1970-73

Program type	U.S. total	Metropolitan				Nonmetropolitan			
		Declining 1970-73	Growing 1970-73			Declining 1970-73	Growing 1970-73		
			Total	Net out-migration	Net in-migration		Total	Net out-migration	Net in-migration
	Dollars								
Human Resource Development									
Welfare	44	65	34	40	32	46	41	42	40
Education	11	13	9	10	9	15	13	14	12
Health payments, service and facilities	34	55	27	33	24	36	27	28	27
Manpower training and employment opportunity	3	3	3	4	3	1	2	1	2
Others	1/	1	1/	1/	1/	1/	1/	1/	1/
Total	93	137	74	87	68	92	83	86	82
Housing									
Department of Agriculture	8	1	4	2	5	23	22	19	23
Department of Interior	1/	1/	1/	1/	1/	1/	1/	1/	1/
Department of Housing and Urban Development	27	30	32	29	33	12	15	20	13
Veterans Administration	38	35	54	38	63	8	14	14	14
Total	73	67	91	70	102	43	51	54	50
Community and Industrial Development									
Community Facilities	61	65	61	66	58	56	59	46	62
Industrial Facilities	11	10	9	9	9	22	15	14	16
Highways	26	26	21	20	22	35	32	27	33
Total	98	101	91	95	89	113	106	87	110
Agriculture and Natural Resources									
Direct Payments	12	1	4	3	4	91	26	31	25
Cropland Division	1/	1/	1/	1/	1/	1	1	1	1
Farm Loans	10	1	3	2	3	64	26	42	23
Selected Appropriations	4	3	2	2	3	10	9	6	10
Natural Resources and Conservation	5	2	3	1	4	9	11	12	11
Total	32	6	12	8	14	174	74	92	70
GRAND TOTAL	295	311	269	260	273	422	313	319	312

1/ Less than $ .50.
Source: Community Services Administration.

Table 6--Percent distribution of Federal outlays for human resource development in metro and nonmetro counties, fiscal year 1974

Program (1974 Catalog of Federal Domestic Assistance Number)	Type of assistance	Total	Metropolitan					Nonmetropolitan					
			Total	Greater			Medium	Lesser	Total	Urbanized		Less urbanized		Totally rural	
				Total	Core	Fringe				Adjacent	Nonadjacent	Adjacent	Nonadjacent	Adjacent	Nonadjacent
		Mil. dols.	Percent of U.S.												
HUMAN RESOURCE DEVELOPMENT															
Welfare															
HEW (Social and Rehabilitation Service)															
Child Welfare Services 1/ (13.707)	Formula Grants	46.2	63.3	34.4	28.2	6.2	20.3	8.7	36.7	6.4	4.5	8.9	10.8	2.0	4.1
Public Assistance-															
Maintenance Assistance for OAA, AB, ATPD, GA (State Aid) 1/ (13.761)	Formula Grants	4,858.5	77.0	51.9	44.6	7.3	18.3	6.8	23.0	5.2	3.1	5.3	6.2	1.1	2.1
Social Services 1/ (13.754)	Formula Grants	1,518.7	77.0	50.9	43.8	7.1	18.9	7.2	23.0	5.4	3.1	5.2	6.1	1.1	2.1
Department of Agriculture (Food and Nutrition Service)															
Food Stamp Bonus Coupons (10.551)	Dir. Payments	2,701.3	68.6	38.4	32.8	5.6	21.4	8.8	31.4	6.1	3.9	7.6	8.9	1.8	3.3
Department of Interior (Bureau of Indian Affairs)															
Indian Social Services-															
General Assistance (15.113)	Dir. Payments	53.9	17.8	6.8	6.6	.2	7.5	3.6	82.2	4.3	4.6	5.4	15.9	1.3	50.7
Child Welfare Assistance (15.103)	Dir. Payments	6.9	13.4	0.0	0.0	0.0	8.7	4.7	86.6	6.0	6.2	4.6	27.9	1.7	40.2
Total		9,185.4	74.1	47.4	40.7	6.7	19.3	7.4	26.0	5.5	3.3	6.0	7.1	1.3	2.8
Education															
Appalachian Regional Commission															
Appalachian Vocational Education Facilities and Operations (23.012)	Project Grants	9.7	79.6	22.5	22.5	0.0	47.7	9.4	20.4	20.4	0.0	0.0	0.0	0.0	0.0
HEW (Office of Education)															
Bilingual Education (13.403)	Project Grants	56.7	80.6	51.5	48.1	3.4	19.3	9.9	19.4	5.3	2.0	3.7	5.3	.6	2.5
Right to Read-Elimination of Illiteracy (13.533)	Project Grants	12.8	83.0	40.6	37.7	2.9	32.0	10.5	17.0	4.3	3.4	1.4	5.9	.3	1.6
Adult Education-Special Projects (13.401)	Project Grants	6.1	88.0	41.1	36.4	4.8	41.4	5.5	12.0	6.8	0.0	0.0	5.2	0.0	0.0
School Assistance in Federally Affected Areas-Maintenance and Oper. (13.478)	Formula Grants	312.0	68.6	27.6	15.4	12.2	28.0	13.0	31.4	7.1	8.0	4.5	8.3	.6	2.8
Follow Through (13.433)	Project Grants	47.6	70.0	43.6	34.6	9.0	17.3	9.2	30.0	4.2	5.4	7.8	5.5	1.9	5.2
Dropout Prevention (13.410)	Project Grants	2.1	93.8	81.1	81.1	0.0	10.6	2.2	6.2	3.0	3.1	0.0	0.0	0.0	0.0
Education of Deprived Children-Local Educational Agencies (Title I) (13.428)	Formula Grants	1,395.9	68.5	43.9	37.2	6.6	17.9	6.7	31.5	5.3	3.5	7.9	9.1	1.9	3.8
Educational Personnel Development-Urban/Rural School Development (13.505)	Project Grants	5.9	84.3	42.9	42.4	.4	39.4	2.1	15.7	3.9	0.0	0.0	8.7	3.1	0.0
Preschool, Elementary and Secondary Education-Special Programs and Projects (13.516)	Project Grants	18.1	67.9	35.9	24.6	11.3	22.3	9.7	32.1	7.8	7.9	4.1	7.9	1.6	2.7
Drug Abuse Education (13.420)	Project Grants	4.0	85.0	45.6	32.9	12.7	32.0	7.5	15.0	2.7	2.0	2.3	5.4	.9	1.7
Environmental Education (13.522)	Project Grants	2.6	90.4	45.6	33.7	11.8	32.1	12.8	9.6	1.9	1.8	3.7	1.8	0.0	.4
Emergency School Aid Act: Basic Grants to Local Education Agencies (13.525)	Project Grants	110.9	74.6	40.0	28.8	11.2	22.9	11.7	25.4	5.6	3.4	7.0	6.6	1.4	1.5

--Continued

Table 6--Percent distribution of Federal outlays for human resource development in metro and nonmetro counties, fiscal year 1974--Continued

Program (1974 Catalog of Federal Domestic Assistance Number)	Type of assistance	Total	Metropolitan					Nonmetropolitan					
			Total	Greater			Medium	Lesser	Total	Urbanized		Less urbanized		Totally rural	
				Total	Core	Fringe				Adjacent	Nonadjacent	Adjacent	Nonadjacent	Adjacent	Nonadjacent
		Mil. dols.	Percent of U.S.												
HUMAN RESOURCE DEVELOPMENT--Continued															
Education--Continued															
HEW (Office of Education)--Continued															
Emergency School Aid Act:															
Bilingual Education Projects (13.528)	Project Grants	8.4	83.2	39.0	39.0	0.0	38.1	6.0	16.8	3.8	1.5	1.6	3.6	3.9	2.6
Educational Television (13.530)	Project Grants	7.3	93.3	64.6	64.6	0.0	28.7	0.0	6.7	3.3	3.4	0.0	0.0	0.0	0.0
Special Programs (13.532)	Project Grants	8.1	88.8	55.3	49.6	5.7	21.9	11.7	11.2	4.4	2.3	3.1	1.4	0.0	0.0
Special Programs and Projects (13.529)	Project Grants	14.8	87.3	60.0	55.1	5.0	22.8	4.4	12.7	4.2	2.5	3.1	1.3	.7	.9
Pilot Programs (13.526)	Project Grants	16.5	66.8	41.6	35.0	6.5	16.3	9.0	33.2	1.7	.9	10.8	7.3	6.7	5.7
Special Projects (2/)	Project Grants	2.5	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Handicapped Early Childhood Assistance (13.444)	Project Grants	14.4	77.6	36.8	33.3	3.5	20.5	20.4	22.4	4.0	7.1	4.0	5.9	.7	.8
Indian Education-Special Programs for Adults (13.536)	Project Grants	.8	24.3	10.2	10.2	0.0	8.6	5.5	75.7	0.0	25.2	0.0	0.0	0.0	50.5
Indian Education-Special Programs for Children (13.535)	Project Grants	2.8	40.7	26.4	26.4	0.0	10.8	3.5	59.3	0.0	15.1	10.0	2.9	0.0	31.3
Department of Interior (Bureau of Indian Affairs)															
Indian Education-Assistance to Non-Federal Schools (15.130)	Dir. Payments	25.1	45.3	14.0	14.0	0.0	26.5	4.8	54.8	8.6	12.4	.4	18.1	0.0	15.2
Indian Education-Contracts With Indian School Boards (15.105)	Dir. Payments	3.1	0.0	0.0	0.0	0.0	0.0	0.0	100.0	2.0	0.0	22.8	28.9	0.0	46.3
HEW (Office of the Secretary)															
Head Start (13.600)	Project Grants	312.6	60.2	26.2	21.9	4.2	22.7	11.3	39.8	8.0	7.3	8.5	11.2	1.1	3.7
Youth Development and Delinquency Prevention (13.610)	Project Grants	9.5	86.4	42.2	38.5	3.7	33.3	10.9	13.6	3.9	5.8	1.1	1.6	0.0	1.3
Total		2,410.2	68.4	39.1	32.1	7.0	20.7	8.6	31.6	5.9	4.7	7.1	8.8	1.5	3.7
Health Payments, Services and Facilities															
HEW (Social and Rehabilitation Service)															
Medical Assistance (Medicaid) 1/ (13.714)	Formula Grants	5,843.1	77.3	52.9	45.5	7.4	17.9	6.5	22.7	5.1	3.0	5.4	6.1	1.1	2.1
Development Disabilities-Special Projects (13.759)	Project Grants	15.3	78.7	41.3	31.0	10.3	25.7	11.6	21.3	6.0	5.4	3.9	4.6	1.3	.1
HEW (Public Health Service)															
Comprehensive Health Planning Areawide Grants (13.206)	Project Grants	22.5	82.6	38.7	35.4	3.3	35.2	8.7	17.4	6.2	5.4	2.4	2.3	.2	.9
Dental Health of Children (13.212)	Formula Grants	1.1	78.3	49.7	49.7	0.0	23.2	5.4	21.7	5.7	10.3	0.0	5.7	0.0	0.0
Crippled Children's Services 1/ (13.211)	Formula Grants; Project Grants	63.7	66.4	32.8	27.3	5.5	21.4	12.3	33.6	7.9	3.9	7.6	9.2	1.6	3.5
Family Planning Projects (13.217)	Formula Grants	104.9	86.2	41.4	33.4	8.0	35.8	9.1	13.8	6.6	3.8	2.1	1.1	0.0	.3
Health Care of Children and Youth (13.218)	Formula Grants	44.6	95.4	66.1	64.1	1.9	16.5	12.9	4.6	1.0	3.0	0.0	.6	0.0	0.0
Health Services Development (13.224)	Project Grants	196.6	85.9	56.3	54.0	2.3	22.3	7.4	14.1	2.8	2.6	3.5	3.1	.7	1.5
Intensive Infant Care Projects (13.230)	Formula Grants	.8	90.4	29.0	29.0	0.0	61.5	0.0	9.6	0.0	.4	0.0	9.2	0.0	0.0

--Continued

Table 6--Percent distribution of Federal outlays for human resource development in metro and nonmetro counties, fiscal year 1974--Continued

Program (1974 Catalog of Federal Domestic Assistance Number)	Type of assistance	Total	Metropolitan					Nonmetropolitan						
			Total	Greater			Medium	Lesser	Total	Urbanized		Less urbanized		Totally rural	
				Total	Core	Fringe				Adjacent	Nonadjacent	Adjacent	Nonadjacent	Adjacent	Nonadjacent
		Mil. dols.	Percent of U.S.												
HUMAN RESOURCE DEVELOPMENT--Continued															
Health Payments, Serv. and Fac.--Cont'd.															
HEW (Public Health Service)--Continued															
Maternal and Child Health Services (13.232)	Formula Grants; Project Grants	62.8	61.8	32.1	27.5	4.6	20.6	9.1	38.2	7.4	4.6	9.5	10.4	2.1	4.3
Maternity and Infant Care Projects (13.234)	Formula Grants	36.3	94.6	48.8	45.5	3.3	26.0	19.7	5.4	3.2	1.1	1.1	0.0	0.0	0.0
Migrant Health Grants (13.246)	Project Grants	25.8	73.8	16.7	15.3	1.4	30.6	26.6	26.2	9.8	9.0	1.9	4.2	1.2	0.0
Health Facilities Construction-Grants (Hill-Burton Program) (13.220)	Formula Grants	145.8	70.0	39.6	33.4	6.2	24.6	5.8	30.0	4.1	6.7	3.7	12.5	.7	2.3
HUD (Federal Housing Administration) Mortgage Insurance for Non-Profit Hospitals (14.128)	Guaranteed/ Insured Loans	168.7	84.3	41.7	41.7	0.0	40.1	2.5	15.7	7.2	3.6	1.2	3.8	0.0	0.0
HEW (Alcohol, Drug Abuse and Mental Health Administration)															
Mental Health-Community Assistance Grants for Narcotic Addiction and Drug Abuse (13.235)	Project Grants	173.5	95.8	48.2	44.4	3.8	35.8	11.8	4.2	1.6	2.0	.1	.5	0.0	.1
Community Mental Health Centers (13.240)	Project Grants	154.3	73.3	37.3	32.2	5.1	24.3	11.8	26.7	8.7	7.5	2.8	7.4	.2	.1
Mental Health-Hospital Staff Development Grants (13.238)	Project Grants	1.7	62.2	21.0	11.9	9.2	25.1	16.1	37.8	8.1	7.6	11.8	8.9	1.5	0.0
Mental Health-Hospital Improvement Grants (13.237)	Project Grants	6.5	63.2	23.7	12.7	10.9	28.3	11.2	36.9	10.1	8.6	5.6	12.6	0.0	0.0
Mental Health-Children Services (13.259)	Project Grants	17.7	73.3	30.0	24.7	5.3	32.7	10.7	26.7	8.2	7.9	2.9	7.7	0.0	0.0
Direct Grants for Special Projects-Alcoholism (13.252)	Project Grants	89.4	73.7	41.6	37.4	4.2	22.7	9.3	26.3	4.7	7.6	3.4	5.9	.4	4.3
Direct Grants for Special Projects-Narcotic Addiction and Drug Abuse (13.254)	Project Grants	6.6	100.0	98.8	66.0	32.8	.5	.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total		7,181.7	78.0	51.1	44.4	6.8	19.8	7.0	22.0	5.1	3.3	4.9	5.9	1.0	1.9
Manpower Training, Employment Opportunities															
Department of Interior (Bureau of Indian Affairs)															
Indian Employment Assistance (15.108)	Project Grants	35.3	38.9	24.8	23.7	1.1	9.3	4.8	61.1	9.8	12.2	7.7	16.5	.8	14.2
Department of Labor (Manpower Admin.)															
Work Incentives Program (17.226)	Project Grants	232.3	91.2	27.8	27.8	.1	54.8	8.6	8.9	6.5	1.9	0.0	.4	0.0	0.0
Public Service Careers 3/ (17.224)	Project Grants	10.3	84.9	5.9	2.8	3.1	58.6	20.4	15.1	8.3	3.4	.3	3.2	0.0	0.0
On-the-Job Training (17.228)	Project Grants	.9	100.0	18.5	18.5	0.0	81.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Migrant Workers (17.230)	Project Grants	.4	100.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Manpower Development and Training-Institutional Training 3/ (2/)		102.3	81.6	41.9	37.8	4.1	29.9	9.8	18.5	6.1	4.9	2.3	4.7	.1	.3

--Continued

Table 6--Percent distribution of Federal outlays for human resource development in metro and nonmetro counties, fiscal year 1974--Continued

Program (1974 Catalog of Federal Domestic Assistance Number)	Type of assistance	Total	Metropolitan					Nonmetropolitan						
			Total	Greater			Medium	Lesser	Total	Urbanized		Less urbanized		Totally rural	
				Total	Core	Fringe				Adjacent	Nonadjacent	Adjacent	Nonadjacent	Adjacent	Nonadjacent
		Mil. dols.	Percent of U.S.												
HUMAN RESOURCE DEVELOPMENT--Continued															
Manpower Training, Employment Opportunities--Continued															
HEW (Social and Rehabilitative Services)															
Work Incentive Program-Child Care (13.748)	Formula Grants	88.8	69.8	41.8	34.2	7.6	18.7	9.4	30.2	5.2	4.1	6.9	9.4	1.5	3.1
Manpower Development and Training-Institutional Training (1/)		131.3	87.8	20.8	20.8	0.0	51.2	15.8	12.2	9.0	1.4	.5	1.3	0.0	0.0
Total		601.8	82.5	30.2	28.2	2.0	41.9	10.4	17.5	7.0	3.3	2.0	3.6	.3	1.3
Others															
Office of Economic Opportunity															
Legal Services (2/)		62.6	91.2	63.8	57.8	6.0	21.0	6.3	8.9	2.0	3.2	.6	.4	.2	2.4
Migrant Legal Services (2/)		.7	73.1	44.7	44.7	0.0	28.4	0.0	26.9	6.7	13.5	0.0	0.0	0.0	6.7
Older Persons Opportunities and Services (2/)		3.3	58.5	33.0	29.0	4.0	17.2	8.3	41.5	6.8	6.8	10.9	13.6	1.0	2.5
Total		66.6	89.3	62.1	56.3	5.9	20.9	6.4	10.7	2.3	3.5	1.1	1.0	.3	2.5
GRAND TOTAL		19,445.7	75.1	47.2	40.6	6.6	20.4	7.5	24.9	5.5	3.5	5.6	6.7	1.2	2.5

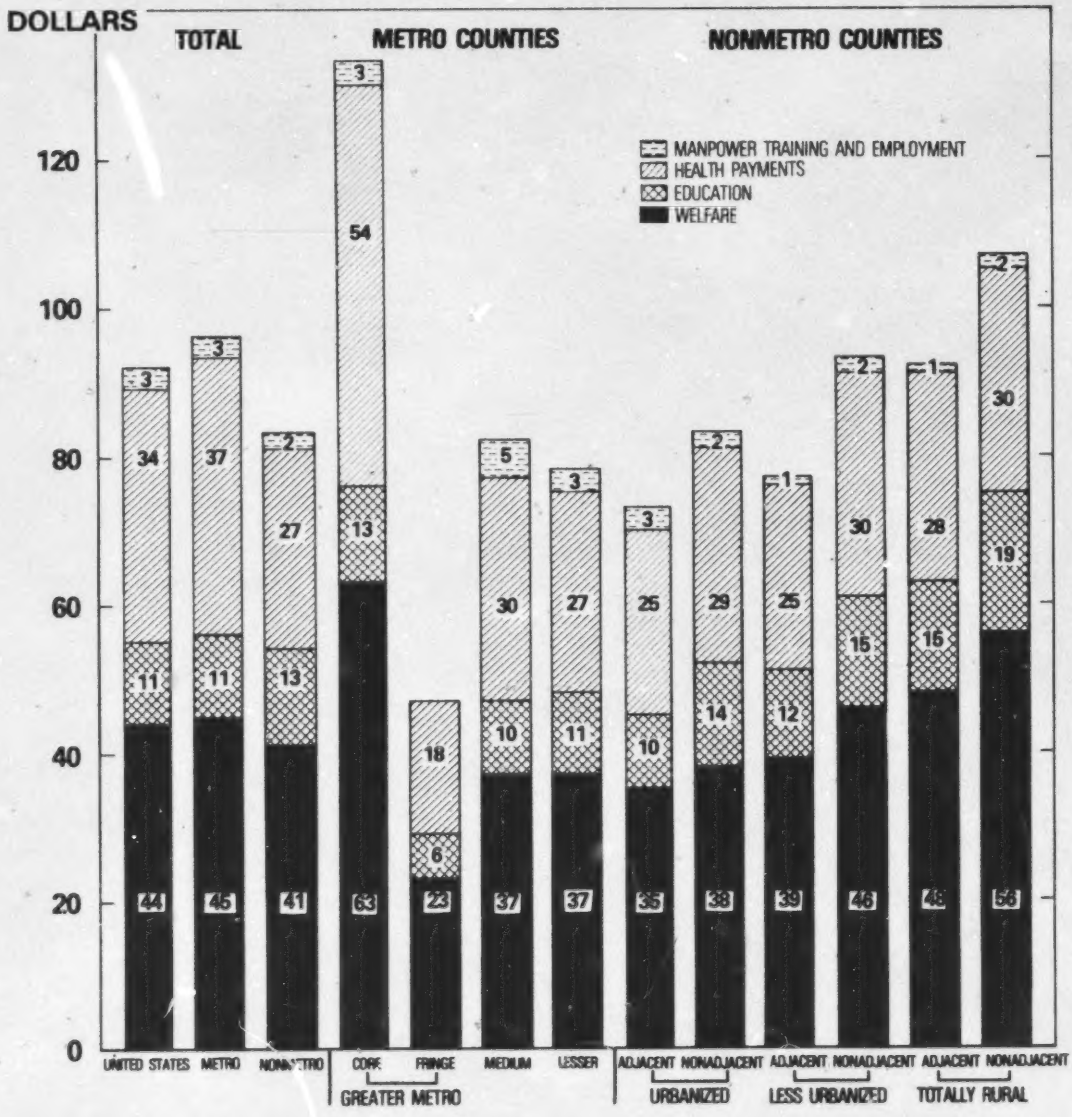
1/ This technique prorates outlays to localities on the basis of the fraction of the State's special group population in a county or city (e.g., recipient of a specific service, State employees, veterans).

2/ Program listings on the Federal outlay tape could not be matched with 1974 Catalog of Federal Domestic Assistance.

3/ Outlays are allocated or identified to the location of the duty station where the costs are incurred. In distributing these costs to counties or cities, total costs at the lowest organizational level of the cost accounting system are determined. These costs are then prorated to counties or cities based upon the number of operating units in each of the counties or cities. State office costs are charged to the county and city in which the office is located.

Source: Office of Economic Opportunity.

PER CAPITA FEDERAL OUTLAYS FOR HUMAN RESOURCE DEVELOPMENT PROGRAMS, FISCAL YEAR 1974



SOURCE: COMMUNITY ADMINISTRATION.

U.S. DEPARTMENT OF AGRICULTURE

NEG. ROS 56-75 (9) RURAL DEVELOPMENT SERVICE

Figure 2

Welfare programs were highest in the core counties of greater SMSA's ($63 per capita) and in the most rural county groups ($56 per capita).

Within the welfare program category, per capita outlays were higher in metro than in nonmetro counties. While metro counties accounted for 72.6 percent of the population, 77 percent of grants for maintenance assistance under the public assistance programs administered by the Department of Health, Education, and Welfare (HEW) accrued to them. On the other hand, while nonmetro counties had 27.4 percent of the population, they received 31.4 percent of the Federal monies for food stamps (table 6).

This difference in the urban-rural distribution of Federal outlays for public assistance and food stamps is largely explained by differences in individual program provisions and the location of potential recipients defined by these provisions. The thrust of the package of the HEW public assistance program, which is heavily weighted by payments under the AFDC program, is targeted to female-headed households. In contrast, provisions of the Food Stamp Program include no "household type" limitations, only limitations on income and assets. Thus, the Food Stamp program is targeted to all persons with incomes and assets below specified levels, many of whom are among the working poor within male-headed families. In metro areas, particularly in core counties of large metro areas, low-income populations are comprised of large proportions of persons in female-headed families, while in nonmetro counties, low-income people are much more likely to be the aged or members of families of employed male heads. 4/

Regionally, per capita Federal outlays for welfare were highest in the West and lowest in the North Central region (table 4). And, as would be expected, among counties grouped by recent population growth rates, per capita outlays for welfare were highest in declining metro counties (table 5).

Based on the distribution of the population, the distribution of outlays from the group of selected education programs favored nonmetro counties. On a per capita basis, selected Federal education outlays were $13 in nonmetro and $11 in metro counties. Major education programs whose outlays were disproportionately high in nonmetro counties were the title I programs (to local education agencies in areas with a high proportion of disadvantaged youth) and the Head Start program (table 6).

Over all selected education programs, per capita outlays were highest in the South and lowest in the North Central region (table 4). By recent population growth, they were highest in declining nonmetro counties and lowest in growing metro counties with net inmigration (table 5).

4/ For more discussion of low-income (poverty) populations and the sources of income of low-income people in metro and nonmetro areas, see the report cited in footnote 3.

Selected health outlays (81.4 percent of which are Medicaid funds) were distributed disproportionately more to metro counties, where per capita outlays totaled $37 in contrast to $27 in nonmetro counties (table 3). Since the administration of the Medicaid program is tied closely to that of public assistance programs with much overlap of target groups, it is not surprising that Federal funds for Medicaid payments accrue disproportionately to metro counties, and particularly, core counties of greater metro areas (table 6).

The distribution of outlays for manpower training and employment favored metro counties. 5/ More than $4 of $5 (82.5 percent) for such programs in fiscal year 1974 accrued to metro counties. This compares to 74.6 percent of the employed and 72.8 percent of the unemployed residing in metro areas in 1970. For fiscal year 1975 and succeeding years, improvement in the delivery of manpower service to rural areas should become evident as a result of the basic restructuring of manpower programs authorized by the Comprehensive Employment and Training Act (CETA) in late 1973. Two aspects of the new law are particularly important for rural communities: (a) the use of formulas to distribute funds under the Act and (b) the flexibility and discretion allowed local areas in developing their programs.

Under the preceding categorical system, many of the separate manpower programs were designed primarily for urban problems, and the distribution of funds has reflected this. The criteria for resource allocations varied between programs and sometimes favored urban areas over rural areas. Under CETA, on the other hand, funds are being allocated by formula based on factors specified in the legislation. The funds are distributed in the form of grants to two basic types of sponsors: those representing units of local government that meet certain population requirements, and State governments to provide service to areas not covered by local grants. The latter, termed "balance of State" grants,serve primarily nonmetro areas including rural communities. Thus, all residents of a State have access to the available resources on an equitable basis. A second advantage for rural areas under CETA is the degree of flexibility permitted in designing and operating programs under the grant system. Generallly, categorical programs were single-purpose undertakings such as institutional training, each with their own administrative and operating requirements. At times, the effect of this compartmentalization was to hinder participation by smaller communities because the number of trainees in any one approach was insufficient to justify the administrative costs involved. Under the grant system, smaller communities are able to combine a variety of approaches under one program and one administrative unit.

5/ Comprehensive Employment and Training Act outlays were omitted from this analysis because of technical problems with the data. The analysis for fiscal year 1975 will include outlays under this act.

Housing

Federal influence in housing is almost totally in the form of guaranteed and insured loans from the Departments of Agriculture and Housing and Urban Development, and the Veterans Administration. These are not Federal outlays but represent Federal influence in the housing industry in insuring or guaranteeing loans made by private investors. However, the subsidized portion of the interest on these loans is a Federal outlay, and the cumulative sum for this is quite considerable. Actual Federal outlays result from direct Federal loans and grants for housing from small programs administered by the Farmers Home Administration of USDA, the Department of the Interior, and HUD.

In total, the selected housing outlays (the term "outlays" as used here includes guaranteed and insured loans) favor metro counties over nonmetro counties, with per capita outlays totaling $83 in metro counties, compared with $49 in nonmetro counties (table 3).

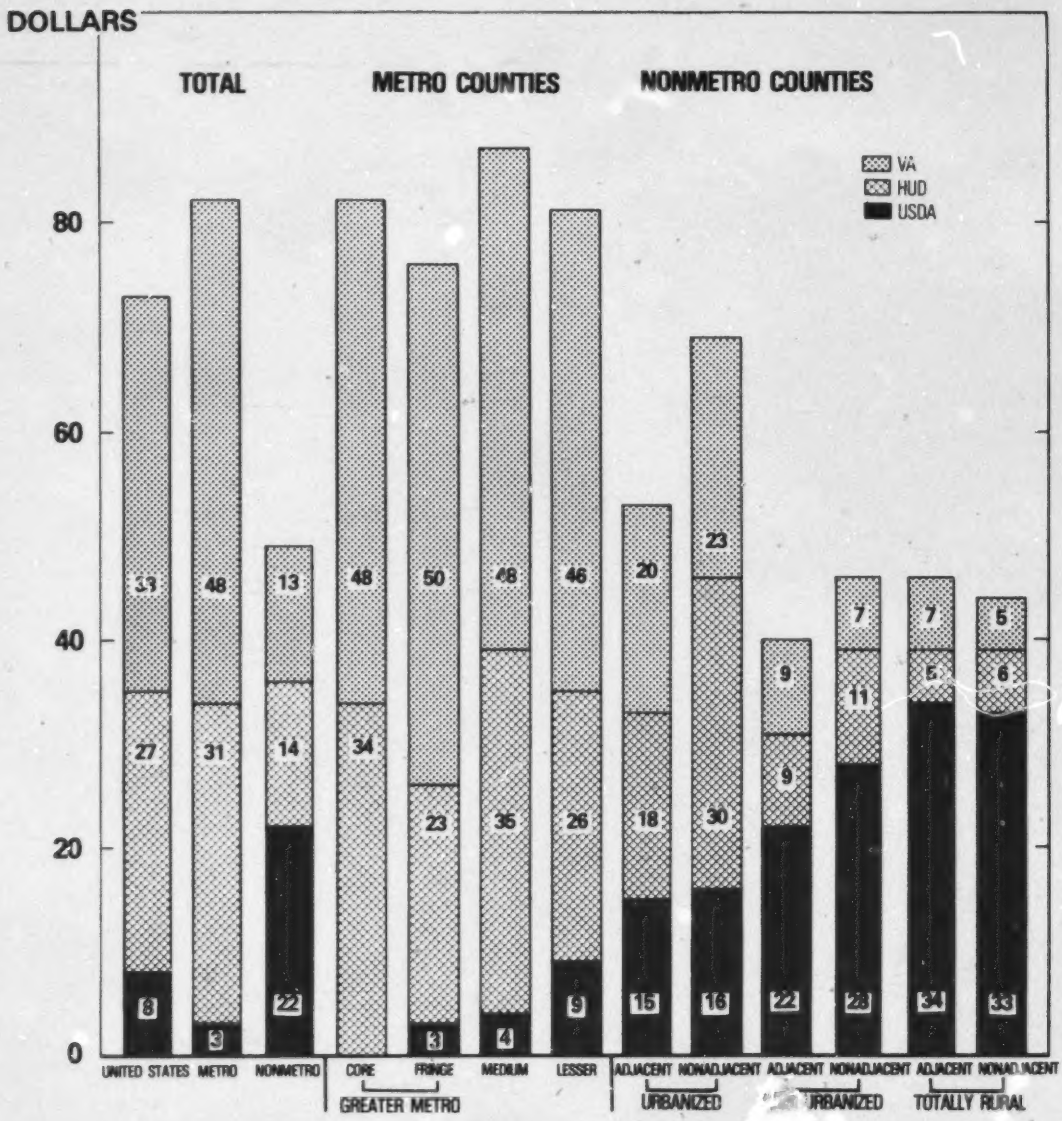
It should be useful to note that in fiscal year 1974, the number of new housing units built per 1,000 households was slightly higher in nonmetro areas (30.0) compared with metropolitan areas (28.8). However, mobile home shipments are included in the data, and since about 60 percent of mobile homes are located in nonmetro areas, these account for the higher nonmetro rate of housing completions. Further, mobile home financing in nonmetro areas came almost entirely from private financial institutions.

Federal housing outlays were over twice as high ($88 per capita) in counties of medium metro areas (areas with 250,000-999,999 population) as in nonmetro counties with less than 20,000 urban population and adjacent to an SMSA ($41) (fig. 3). Regionally they were over three times as high in the West ($128 per capita) as in the Northeast ($38 per capita) (table 4). As was expected because of differences in demand for new housing, per capita housing outlays were substantially higher in growing counties than in declining counties (table 5). But among growing counties with net inmigration, per capita housing outlays were over twice as high in metro counties ($102) as in nonmetro counties ($50).

As figure 3 indicates, the mix of housing outlays by agencies varied greatly among counties grouped along the rural-to-urban dimension, with outlays from USDA's Farmers Home Administration being relatively unimportant in metro counties but comprising a major portion of all Federal housing outlays in the more rural counties. In the most rural county group, three-fourths of all Federal housing outlays were administered through the Farmers Home Administration.

The metro-nonmetro distribution of individual housing program outlays is shown in table 7. Of the three major housing programs--USDA's Low-to-Moderate Income Housing Loans ($1.56 billion), HUD's Home Mortgage Insurance ($3.77 billion), and VA's Guaranteed and Insured Loans ($8.04 billion)--only the distribution of the smallest one of the three favors nonmetro counties. The proportion of the major guaranteed and insured loan programs in HUD and VA accruing to nonmetro counties was 12.1 and 9.3 percent, respectively.

PER CAPITA FEDERAL OUTLAYS FOR HOUSING, FISCAL YEAR 1974



SOURCE: COMMUNITY SERVICES ADMINISTRATION

U.S. DEPARTMENT OF AGRICULTURE

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Figure 3

Table 7--Percent distribution of Federal outlays for housing in metro and nonmetro counties, fiscal year 1974

Program (1974 Catalog of Federal Domestic Assistance Number)	Type of assistance	Total	Metropolitan						Nonmetropolitan						
			Total	Greater			Medium	Lesser	Total	Urbanized		Less urbanized		Totally rural	
				Total	Core	Fringe				Adjacent	Nonadjacent	Adjacent	Nonadjacent	Adjacent	Nonadjacent
		Mil. dols.	Percent of U.S.												
HOUSING															
Department of Agriculture (Farmers Home Administration)															
Rural Self-Help Housing Technical Assistance (10.420)	Project Grants	3.8	29.0	0.0	0.0	0.0	13.1	15.9	71.0	39.2	0.0	12.0	13.6	4.0	2.3
Farm Labor Housing, Loans and Grants 1/	Gtd./Ins. Loans	10.0	31.9	10.2	10.2	0.0	11.9	9.8	68.1	19.2	22.6	10.8	12.6	1.5	1.3
Do.	Project Loans	10.1	37.0	7.4	7.4	0.0	22.1	7.4	63.0	45.1	0.0	13.4	4.5	0.0	0.0
Low to Moderate Income Housing Loans (10.410)	Gtd./Ins. Loans	1,564.1	28.0	6.0	1.0	4.9	12.6	9.5	72.0	12.0	7.2	17.5	21.9	5.0	8.5
Rural Housing Site Loans (10.411)	Gtd./Ins. Loans	1.6	41.8	0.0	0.0	0.0	35.9	5.9	58.2	0.0	0.0	3.7	45.2	4.6	4.7
Do.	Direct Loans	0.2	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0
Rural Rental Housing Loans (10.415)	Gtd./Ins. Loans	172.8	23.3	5.2	1.5	3.8	8.5	9.6	76.7	12.2	9.1	18.8	24.2	3.1	9.3
Very Low Income Housing Repair Loans (10.417)	Gtd./Ins. Loans	4.0	10.0	1.3	0.0	1.3	3.8	5.0	90.0	4.1	5.1	20.7	29.1	7.7	23.3
Total		1,766.5	27.6	5.9	1.1	4.8	12.2	9.5	72.4	12.3	7.4	17.5	22.0	4.7	8.5
Department of Interior (Bureau of Indian Affairs)															
Indian Housing-Improvement (15.116)	Project Grants	10.6	26.4	11.8	7.7	4.1	11.0	3.7	73.6	8.1	11.4	13.2	18.9	2.6	19.4
Department of Housing and Urban Development (Federal Housing Administration)															
Housing for the Elderly or Handicapped 1/	2/	3.9	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mortgage Insurance for:															
Homes 1/	Gtd./Ins. Loans	3,770.4	88.0	45.2	35.9	9.3	34.8	8.0	12.1	3.7	4.5	1.6	1.8	0.2	0.3
Property Improvement 1/	Do.	682.7	80.2	51.3	34.4	16.9	20.7	8.1	19.8	5.6	3.4	3.9	4.6	0.7	1.6
Cooperative Housing 1/	Do.	3.2	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nursing Homes 1/	Do.	72.5	80.1	47.8	30.0	17.8	24.4	7.9	19.9	8.2	1.7	3.2	5.7	0.0	1.1
Urban Renewal Housing 1/	Do.	19.2	100.0	78.1	78.1	0.0	21.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rental Housing 1/	Do.	39.9	91.3	57.1	52.9	4.2	27.2	7.0	8.7	4.4	3.7	0.0	.6	0.0	0.0
Elderly Housing 1/	Do.	14.4	100.0	39.5	14.7	24.9	60.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Housing Projects in Declining Areas 1/	Do.	4.3	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Low to Moderate Income Housing at Market Interest Rates 1/	Do.	339.7	75.0	39.2	22.3	16.9	21.4	14.5	25.0	8.3	6.2	3.6	6.0	0.0	.9
Multi-Family Supplemental Loans 1/	Do.	.4	100.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Projects with 2-Year Operating Losses 1/	Do.	1.5	86.7	74.2	74.2	0.0	11.8	.7	13.3	0.0	0.0	13.3	0.0	0.0	0.0
Rental Housing Assistance 1/	Do.	619.3	80.6	49.4	39.7	9.8	20.4	10.7	19.4	7.0	3.8	3.8	4.8	0.0	.1
Condominium Housing 1/	Do.	25.5	97.1	52.4	41.9	10.5	34.3	10.4	3.0	3.0	0.0	0.0	0.0	0.0	0.0
Experimental Housing 1/	Do.	1.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	100.0	0.0	0.0	0.	0.0
Rehabilitated Sales Housing 1/	Do.	1.4	71.7	49.3	49.3	0.0	11.7	10.8	28.3	6.6	4.8	16.9	0.0	0.0	0.0
Total		5,599.4	85.4	46.4	35.6	10.8	30.4	8.7	14.6	4.6	4.3	2.2	2.8	0.2	0.5

--Continued

Table 7--Percent distribution of Federal outlays for housing in metro and nonmetro counties, fiscal year 1974--Continued

Program (1974 Catalog of Federal Domestic Assistance Number)	Type of assistance	Total	Metropolitan						Nonmetropolitan						
			Total	Greater			Medium	Lesser	Total	Urbanized		Less urbanized		Totally rural	
				Total	Core	Fringe				Adjacent	Nonadjacent	Adjacent	Nonadjacent	Adjacent	Nonadjacent
		Mil. dols.	Percent of U.S.												
HOUSING--Continued															
Veterans Administration															
Veterans Guaranteed and Insured Loans 1/	Gtd./Ins. Loans	8,040.3	90.7	51.5	35.1	16.4	28.8	10.4	9.3	3.7	2.3	1.6	1.3	.2	.3
GRAND TOTAL		15,416.8	81.5	44.4	31.4	13.0	27.5	9.7	18.5	5.0	3.6	3.7	4.2	0.7	1.3

1/ Program listings on the Federal outlay tape could not be matched with 1974 Catalog of Federal Domestic Assistance.
2/ Type of assistance not available.
Source: Office of Economic Opportunity.

It should be noted that the HUD percentage is for a year that marked a transition period for the Department as it began to implement the Housing and Community Development Act of 1974, legislation that should result in a better ratio of HUD funding being extended to nonmetro areas. In particular, the statute assures equitable allocation of HUD housing resources by specifically providing that at least 20 percent, and as much as 25 percent, of housing assistance funds, including those provided under the Section 8 Lower Income Housing Assistance program, shall be allocated to nonmetro areas.

Community and Industrial Development and Highways

The distribution of this group of programs favored nonmetro counties, with nonmetro per capita outlays totaling $107 in contrast to $94 in metro counties (table 3). This metro-nonmetro difference was attributable to higher nonmetro outlays for both industrial development and highways (see fig. 4). While the higher per capita outlays in nonmetro counties for industrial development indicates Federal efforts to promote more development and employment in nonmetro America, higher per capita highway outlays in nonmetro counties, particularly in the more rural nonmetro counties, are largely a function of density of the population.

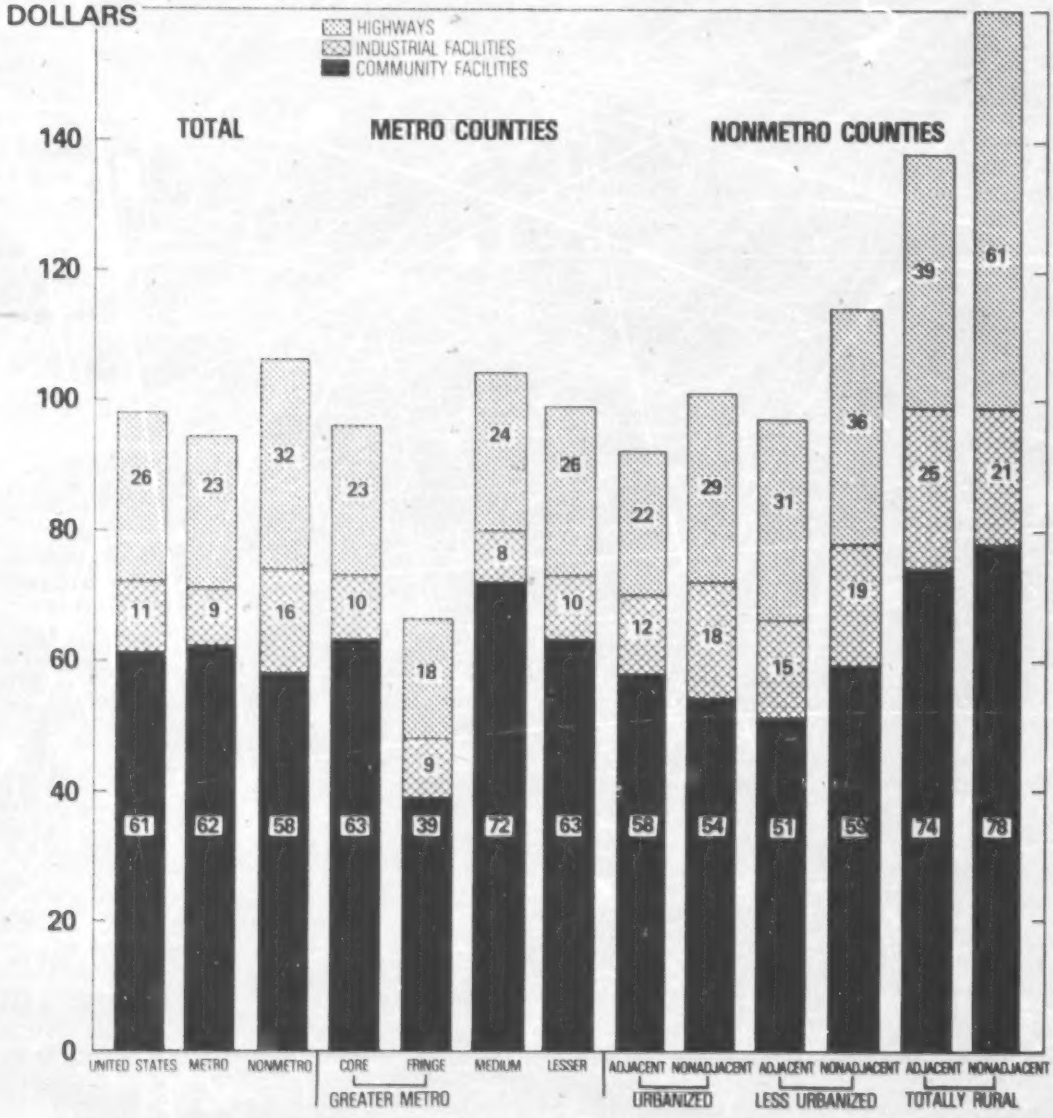
Regionally, per capita outlays for community and industrial development were lowest in the North Central region ($85) and roughly equal in the other regions. Outlays for community development were highest on a per capita basis in the Northeast ($75) and lowest in the North Central region ($53), whereas per capita outlays for industrial development programs were highest in the West and North Central region ($12) and lowest in the Northeast and South ($10). Highway outlays were highest in the South and West and by far the highest in sparsely settled nonmetro counties of the West.

Per capita outlays for community and industrial development combined were highest ($113) in nonmetro counties experiencing recent declines in their population and lowest ($91) in metro counties that were growing during 1970-73 (table 5). Per capita outlays for industrial development were substantially higher in declining nonmetro counties than in any other group.

The distribution of outlays for individual programs is shown in table 8. Of the selected community development outlays of $12.8 billion, almost one-half ($6.1 billion) was in the form of revenue sharing funds. Although revenue sharing funds are allocated two-thirds to local governments and one-third to State governments, these allocations are not shown separately in the Federal outlay data. Thus, the metro-nonmetro distribution of revenue sharing funds, which shows a metro bias, is, in some sense, misleading since a majority of State governments are located in metro counties.

Outlays from the Economic Development Administration (EDA) generally favored nonmetro areas, with 64.4 percent of the outlays from the largest EDA program (Grants and Loans for Public Works and Development Facilities) accruing to nonmetro counties. Over two-thirds of outlays of the two largest community development programs of the Department of Agriculture accrued to nonmetro counties. Of the $468.8 million in guaranteed and insured loans for Water and Waste Disposal Systems for Rural Communities (FmHA), 67 percent accrued to non-

PER CAPITA FEDERAL OUTLAYS FOR COMMUNITY AND INDUSTRIAL DEVELOPMENT, FISCAL YEAR 1974



U.S. DEPARTMENT OF AGRICULTURE

NEG. RDS 58-75 (9) RURAL DEVELOPMENT SERVICE

Figure 4

Table 8--Percent distribution of Federal outlays for community and industrial development in metro and nonmetro counties, fiscal year 1974

Program (1974 Catalog of Federal Domestic Assistance Number)	Type of assistance	Total	Metropolitan					Nonmetropolitan						
			Total	Greater			Medium	Lesser	Total	Urbanized		Less urbanized		Totally rural	
				Total	Core	Fringe				Adjacent	Nonadjacent	Adjacent	Nonadjacent	Adjacent	Nonadjacent
		Mil. dols.	Percent of U.S.												
COMMUNITY DEVELOPMENT															
Department of Commerce (Economic Development Administration)															
Grants and Loans for Public Works and Development Facilities (11.300)	Project Grants; Direct Loans	131.0	35.7	10.1	7.3	2.8	14.5	11.1	64.4	9.5	5.4	13.9	20.4	6.0	9.3
Planning Assistance (11.302)	Project Grants	7.6	29.1	2.7	2.7	0.0	13.1	13.2	70.9	12.2	15.4	10.7	23.3	1.5	7.8
Public Works Impact Projects (11.304)	Do.	38.2	33.4	15.2	12.5	2.6	12.1	6.1	66.6	4.2	10.9	11.2	16.6	8.4	15.4
Technical Assistance (11.303)	Do.	18.2	81.2	45.3	37.2	8.1	24.5	11.4	18.8	4.6	.0	2.3	5.2	.8	2.0
Department of Commerce															
Regional Action Planning Commissions 1/	2/	24.2	59.2	27.8	23.8	3.9	25.1	6.3	40.9	9.8	13.8	3.6	8.4	1.6	3.7
Department of the Treasury															
Fiscal Assistance to State and Local Government (Revenue Sharing) 1/	2/	6,106.1	78.5	34.0	26.9	7.1	34.0	10.6	21.5	6.7	3.0	4.3	5.0	.7	1.7
Department of Health, Education, and Welfare (Public Health Service)															
Urban Rat Control (13.267)	Project Grants	12.6	99.1	56.0	39.7	16.3	43.2	0.0	.9	.9	0.0	0.0	0.0	0.0	0.0
Department of Housing and Urban Development															
Model Cities Supplemental Grants 1/	2/	150.7	95.1	64.1	62.1	2.0	23.6	7.4	4.9	1.0	1.7	.9	1.4	0.0	0.0
Department of the Interior (Bureau of Indian Affairs)															
Indian Loans-Economic and Social Development (15.124)	2/	2.3	20.6	3.8	2.0	1.8	16.8	0.0	79.4	13.4	28.6	5.1	25.8	0.0	6.6
Department of Agriculture (Farmers Home Administration)															
Community Facility Loans (10.423)	Gtd./Ins. Loans	49.8	24.7	2.6	0.0	2.6	20.8	1.3	75.3	16.0	10.7	20.5	17.6	4.2	6.2
Water and Waste Disposal Systems for Rural Communities (10.418)	Do.	468.8	32.7	5.7	1.3	4.4	15.0	12.1	67.3	8.5	5.8	18.1	20.6	4.8	9.5
Watershed Protection and Flood Prevention Loans (10.419)	Do.	19.8	25.0	4.5	0.0	4.5	20.4	0.0	75.0	1.3	1.0	16.1	47.5	1.5	7.5
Resource Conservation and Development Loans (10.414)	Do.	1.1	9.2	0.0	0.0	0.0	0.0	9.2	90.8	23.0	3.7	22.1	29.2	.9	12.0
Water and Sewer Grants 1/	2/	10.3	6.8	0.0	0.0	0.0	3.7	3.1	93.2	2.9	6.3	13.6	34.3	21.3	14.8
Department of Agriculture (Rural Electrification Administration)															
Rural Electrification Loans (10.850)	Gtd./Ins. Loans	602.8	25.0	8.9	.5	8.4	7.6	9.3	74.2	8.7	5.7	16.2	21.6	6.0	16.0
Rural Telephone Loans (10.851)	Do.	140.0	12.0	2.2	0.0	2.2	4.7	5.0	88.0	7.8	6.1	25.6	23.3	4.4	20.9
Rural Telephone Bank Loans (10.852)	Direct Loans	163.0	27.2	7.9	0.0	7.9	16.7	2.6	72.8	7.9	5.3	17.4	22.8	7.1	12.3
Department of Agriculture (Soil Conservation Service)															
Watershed Protection and Flood Prevention-															
Flood Prevention (10.904)	Project Grants	11.3	25.6	11.9	.3	11.6	6.4	7.3	74.4	1.0	8.0	21.5	24.5	5.7	13.7
Watershed Works of Improvement (10.904)	Do.	72.5	30.5	10.9	3.3	7.6	10.8	8.8	69.5	9.6	4.3	19.3	21.7	4.8	9.8
Watershed Planning (10.904)	Do.	10.0	69.9	20.1	14.2	5.8	32.4	17.5	30.1	3.8	11.1	3.6	9.1	.8	1.7

--Continued

Table 8--Percent distribution of Federal outlays for community and industrial development in metro counties, fiscal year 1974--Continued

Program (1974 Catalog of Federal Domestic Assistance Number)	Type of assistance	Total	Metropolitan						Nonmetropolitan						
			Total	Greater			Medium	Lesser	Total	Urbanized		Less urbanized		Totally rural	
				Total	Core	Fringe				Adjacent	Nonadjacent	Adjacent	Nonadjacent	Adjacent	Nonadjacent
		Mil. dols.	Percent of U.S.												
COMMUNITY DEVELOPMENT--Continued															
Department of Justice (Law Enforcement Assistance Administration)															
Grants for Law Enforcement Assistance 1/	2/	794.2	92.3	42.5	39.8	2.8	39.4	10.3	7.7	5.5	1.3	.1	.8	0.0	0.0
Environmental Protection Agency															
Air Pollution Control Program Grants (66.001)	Project Grants	43.5	94.3	34.5	31.0	3.5	48.9	11.0	5.7	4.1	.6	.2	.7	0.0	0.0
Construction Grants for Waste Water Treatment Works (66.015)	Do.	2,827.5	83.1	51.8	36.5	15.4	23.6	7.6	17.0	7.2	2.7	2.8	3.0	.6	.6
Office of Economic Opportunity															
Community Action Program 1/	2/	177.5	74.4	44.5	40.1	4.3	21.6	8.3	25.6	5.3	4.3	6.7	7.1	.6	1.7
Community Economic Development 1/	2/	37.9	71.5	38.0	35.4	2.7	22.6	10.9	28.5	1.3	15.6	7.5	2.6	0.0	1.5
Appalachian Regional Development Program-															
Department of Agriculture (23.001)	2/	.5	13.2	2.6	0.0	2.6	6.9	3.8	86.8	23.9	1.2	24.8	12.3	5.9	18.6
Department of Transportation (23.001)	2/	.8	76.7	0.0	0.0	0.0	32.1	44.6	23.3	2.6	9.8	0.0	2.4	0.0	8.4
Department of Health, Education, and Welfare (23.001)	2/	13.9	89.6	85.8	38.3	47.5	0.0	3.8	10.5	0.0	1.9	2.4	5.7	0.0	.4
Appalachian Development Highway System (23.003)	Project Grants	167.7	13.1	1.1	.1	1.0	4.9	7.1	86.9	15.0	11.5	23.3	21.9	12.5	2.6
Appalachian Supplements to Federal Grant-In-Aid (HEW).(23.002)	Do.	31.6	65.0	3.1	2.3	.8	49.1	12.9	35.0	8.3	7.5	5.8	8.6	2.7	2.0
Department of Transportation															
Urban Mass Transportation Fund 1/	2/	650.4	97.4	85.8	80.6	5.3	9.7	1.8	2.7	.4	2.3	0.0	0.0	0.0	0.0
Total, community development		12,786.0	73.8	37.6	29.4	8.2	27.1	9.1	26.2	6.7	3.4	5.5	6.5	1.4	2.8
INDUSTRIAL DEVELOPMENT															
Department of Commerce (Economic Development Administration)															
Loans for Businesses and Development Companies (11.301)	Direct Loans; Gtd./Ins. Loans	19.9	47.0	41.6	41.6	0.0	5.4	0.0	53.0	11.9	4.1	1.4	19.3	3.1	13.2
Department of Commerce (Office of Minority Business Enterprise)															
Minority Business Enterprise-Coordination, Management and Technical Assistance (11.800)	Project Grants	39.3	94.0	74.4	67.4	7.0	13.4	6.2	6.0	1.2	.7	1.0	1.5	0.0	1.7
Department of the Interior (Bureau of Indian Affairs)															
Indian Industrial and Tourism Development and On-the-Job Training (15.117)	Direct Grants	2.3	68.2	49.5	48.7	.8	13.0	5.7	31.8	6.1	4.6	5.0	5.9	2.1	8.1
Department of Agriculture (Farmers Home Administration)															
Business and Industrial Development Loans (10.422)	Gtd./Ins. Loans	199.8	13.3	2.6	.1	2.6	5.5	5.2	86.7	8.8	8.9	22.4	21.0	17.0	8.7
Nonfarm Enterprise Loans 1/	Do.	7.5	11.9	3.5	0.0	3.5	4.4	4.1	88.1	3.6	8.3	25.3	30.5	6.3	14.1

--Continued

Table 8--Percent distribution of Federal outlays for community and industrial development in metro counties, fiscal year 1974--Continued

Program (1974 Catalog of Federal Domestic Assistance Number)	Type of assistance	Total	Metropolitan					Nonmetropolitan						
			Total	Greater			Medium	Lesser	Total	Urbanized		Less urbanized		Totally rural	
				Total	Core	Fringe				Adjacent	Nonadjacent	Adjacent	Nonadjacent	Adjacent	Nonadjacent
		Mil. dols.	Percent of U.S.												
INDUSTRIAL DEVELOPMENT--Continued															
Department of Agriculture (Farmers Home Administration)--Continued															
Industrial Development Grants (10.424)	Project Grants	9.6	21.2	.8	.8	0.0	14.8	5.6	78.8	9.4	4.2	21.9	25.3	3.5	14.6
Small Business Administration															
Economic Opportunity Loans for Small Businesses (59.003)	Direct Loans; Gtd./Ins. Loans	96.5	82.0	54.0	46.4	7.6	18.9	9.1	18.0	3.8	3.1	3.3	5.1	.9	2.0
State and Local Development Company Loans (59.013)	Do.	63.4	45.2	19.9	16.0	3.9	20.2	5.1	54.9	8.5	6.2	10.6	18.2	1.5	9.8
Disaster Loans 1/	Do.	317.3	50.6	27.9	12.2	15.7	17.5	5.2	49.4	9.5	10.5	13.7	9.7	2.3	3.8
SBA Financial Assistance Program 1/	Direct Loans; Gtd./Ins. Loans	1,502.8	65.0	36.8	26.6	10.3	18.6	9.7	35.0	7.3	5.4	6.8	10.9	1.1	3.4
Small Business Investment Companies (59.011)	Do.	97.8	94.8	77.3	70.3	7.0	15.4	2.1	5.2	1.4	3.4	.1	.1	0.0	.2
Total, industrial development		2,356.3	60.1	35.1	25.4	9.7	17.0	8.1	39.9	7.3	6.1	8.7	11.2	2.6	4.0
HIGHWAYS															
Department of Transportation															
Highway Beautification (20.214)	Project Grants; Formula Grants	50.3	65.9	14.5	12.0	2.5	27.0	24.4	34.1	12.9	6.1	3.5	5.9	.6	5.1
Highway Research, Planning, and Construction (20.205)	Formula Grants	5,309.5	65.3	34.8	25.7	9.1	21.8	8.7	34.7	6.0	4.2	8.0	9.5	1.8	5.2
Total, highways		5,359.8	65.3	34.6	25.6	9.0	21.8	8.9	34.7	6.1	4.3	8.0	9.5	1.8	5.2
GRAND TOTAL		20,502.1	70.0	36.5	27.9	8.6	24.6	8.9	30.0	6.6	3.9	6.5	7.8	1.7	3.5

1/ Program listings on the Federal outlay tape could not be matched with 1974 Catalog of Federal Domestic Assistance.
2/ Type of assistance not available.

Source: Office of Economic Opportunity.

metro counties, and almost three-fourths of Rural Electrification Loans went to nonmetro counties.

On the other hand, the Environmental Protection Agency's program of Construction Grants for Waste Water Treatment Works was highly metro oriented. Of the $2.8 billion outlays for this program, only 17 percent, or $480.7 million, accrued to nonmetro counties.

Agriculture and Natural Resources

Outlays for selected programs of agriculture and natural resources totaled $6.6 billion in fiscal year 1974. These outlays were for direct payments to farmers ($2.45 billion), outlays for cropland diversion ($47.3 million), farm loans ($2.1 billion), appropriations for administering programs, such as those of the Farmers Home Administration ($92.6 million), and natural resource and conservation outlays ($1.1 billion) (table 9). In the aggregate, these program outlays, on a per capita basis, were over eight times as high in nonmetro counties as in metro counties. As would be expected, these per capita outlays were highest among all county groups in the most rural nonmetro counties (fig. 5). In totally rural, nonmetro counties not adjacent to an SMSA, per capita outlays for agriculture and natural resources were $196, or 38.7 percent of total selected outlays. Nationally, they were only $32, or 10.8 percent of all selected outlays (table 3). Direct payments to farmers alone totaled $87 per capita in the most rural, most agriculturally oriented, nonmetro counties. Furthermore, while these counties contained only 2.2 percent of the population, they accounted for 34.4 percent of the payments under the wheat production

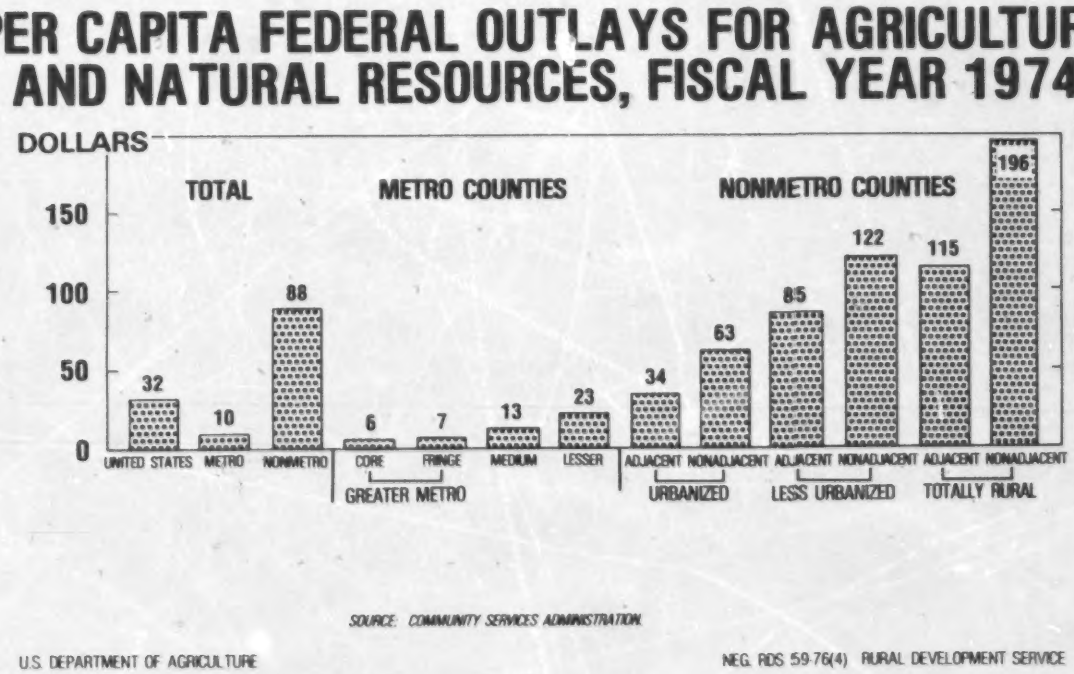


Figure 5

Table 9--Percent Distribution of Federal outlays for agriculture and natural resources in metro and nonmetro counties, fiscal year 1974

Item	U.S. Total	Metropolitan					Nonmetropolitan					
		Total	Greater			Medium	Lesser	Total	Urbanized		Less urbanized		Thinly populated	
			Total	Core	Fringe				Adja-cent	Nonad-jacent	Adja-cent	Nonad-jacent	Adja-cent	Nonad-jacent
	Mil. dols.	Percent of U.S.												
Direct Agriculture Payments														
Feed Grains Production Stabilization	1141.9	15.5	3.3	.2	3.0	6.5	5.7	84.5	7.4	4.5	22.6	29.1	4.5	16.4
Cotton Production Stabilization	718.4	21.8	1.8	.4	1.4	12.1	7.9	78.2	10.4	9.6	18.6	28.9	6.2	4.6
Wheat Production Stabilization	474.1	9.7	1.9	.2	1.7	3.8	4.0	90.3	5.8	5.2	12.2	27.4	5.3	34.4
Sugar Act Program	79.5	34.8	.9	.5	.4	23.1	10.8	65.2	10.6	17.4	11.7	15.6	3.4	6.6
National Wool Act Payments	.3	43.6	22.8	3.2	19.5	12.7	8.1	56.4	5.0	5.9	26.3	9.6	3.1	6.5
Dairy and Beekeeper Indemnity Payments	3.9	31.3	6.0	5.6	.4	10.5	14.7	68.7	9.9	36.8	8.2	10.8	.3	2.8
Crop Insurance Indemnity Payments, FCIC 1/	29.8	17.8	1.6	.4	1.2	5.1	11.1	82.2	8.7	7.6	18.1	20.4	4.4	23.1
Total	2447.9	16.9	2.5	.3	2.2	8.1	6.3	83.1	8.1	6.6	18.9	28.2	5.1	16.1
Cropland Diversion														
Cropland Adjustment Program	46.1	16.5	4.1	.4	3.6	7.0	5.4	83.5	6.5	5.8	21.7	27.9	6.8	14.9
Cropland Adjustment Program-Public access	1.1	16.6	3.9	.2	3.7	8.4	4.4	83.4	7.5	3.6	16.7	23.0	5.7	26.8
Cropland Conversion Program	.1	19.1	0.0	0.0	0.0	1.4	17.7	80.9	5.3	0.0	21.8	18.0	.5	35.3
Conservation Reserve Program	2/	100.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	47.3	16.5	4.1	.4	3.6	7.0	5.4	83.5	6.5	5.7	21.6	27.8	6.7	15.2
Farm Loans														
Soil and Water Loans	4.1	6.9	.1	0.0	.1	2.5	4.3	93.1	5.8	4.4	15.9	34.6	4.2	28.2
Farm Ownership Loans	341.5	9.6	1.4	.1	1.2	4.4	3.8	90.4	7.3	5.6	19.2	30.9	5.3	22.0
Farm Operating Loans	523.7	12.3	1.9	.2	1.7	5.4	4.9	87.7	7.1	7.5	20.6	29.0	5.5	18.0
Commodity Loans	1161.1	16.8	4.4	3.1	1.3	8.5	4.0	83.2	6.3	7.0	28.9	27.0	4.7	9.3
Storage Facility Loans	92.1	12.9	2.8	.1	2.6	4.9	5.3	87.1	5.9	4.6	22.5	32.2	5.3	16.5
Reseal Storage	4.6	3.7	.5	0.0	.5	.6	2.7	96.3	.9	7.1	8.7	24.6	13.1	42.0
Recreation Facility Loans	.8	13.8	0.0	0.0	0.0	12.9	.9	86.2	35.1	6.0	17.9	13.8	0.0	13.4
Total	2127.9	14.3	3.2	1.8	1.5	6.9	4.2	85.7	6.6	6.8	25.0	28.3	5.0	13.9
Selected Appropriations														
S & E, ASCS	174.6	48.0	29.0	24.4	4.6	10.5	8.5	52.0	4.7	4.4	12.7	16.1	3.8	10.2
Cooperative Extension Service, Agriculture 3/	189.2	51.4	24.7	20.7	4.0	15.4	11.4	48.6	11.9	5.9	10.3	12.1	2.9	5.5
S & E, Farmers Home Administration	88.6	26.4	13.9	12.0	2.0	7.1	5.4	73.6	7.5	6.2	18.0	25.4	4.3	11.7
S & E, Rural Electrification Administration	14.7	88.8	72.0	70.5	1.5	8.6	8.1	11.2	1.7	4.2	2.5	2.2	.4	.4
Resource Conservation and Development, SCS	18.9	24.0	6.8	5.0	1.8	9.9	7.3	76.0	13.2	10.0	14.7	24.0	3.7	10.4
River Basin Surveys and Investigations, SCS	3.4	80.6	50.3	38.4	11.9	23.1	7.3	19.4	11.9	6.4	.7	.1	0.0	.4
Great Plains Conservation Program, SCS	7.0	14.9	5.0	4.5	.5	1.2	8.7	85.1	3.7	6.2	12.8	28.7	5.6	28.1
Forest Protection and Utilization, FS 4/	427.1	36.9	19.2	14.3	4.9	9.8	7.8	63.1	6.0	13.0	7.9	22.2	2.6	11.5
Indian Agricultural Extension	2.3	50.4	11.2	11.2	0.0	31.2	8.0	49.6	7.3	9.5	5/	7.8	1.8	23.2
Total	925.9	41.5	22.2	18.0	4.2	10.8	8.4	58.5	7.2	9.1	10.3	18.9	3.1	9.9
Natural Resources and Conservation														
Plant Materials for Conservation	1.7	31.5	8.4	1.8	6.5	17.6	5.5	68.5	14.2	7.2	22.0	12.8	4.9	7.4
Forest Roads and Trails, Forest Service	117.2	24.2	14.0	9.1	4.9	4.2	6.0	75.8	6.9	11.0	12.1	30.6	2.5	12.6
River Basin Surveys and Investigation	9.4	79.4	27.1	17.7	9.3	33.6	18.7	20.6	3.8	6.4	3.3	5.6	.5	1.0
Snow Survey and Water Supply Forecasting	1.2	66.4	34.9	34.7	.2	14.2	17.3	33.6	.5	9.8	1.3	15.2	1.0	5.9
Watershed Planning	10.0	69.9	20.0	14.2	5.8	32.4	17.5	30.1	3.8	11.1	3.6	9.1	.8	1.6
Rural Environmental Assistance Program	27.2	28.9	3.4	1.2	2.2	20.0	5.5	71.1	7.8	5.2	19.5	19.7	5.0	13.8
Emergency Conservation Measures	18.4	23.6	3.4	.3	3.2	14.5	5.6	76.4	12.6	6.3	16.4	24.0	6.6	10.5
Appalachian Regional Development Program	.5	13.2	2.6	0.0	2.6	6.9	3.8	86.8	23.9	1.2	24.9	12.3	5.9	18.6
Great Plains Conservation Program	11.0	4.5	0.0	0.0	0.0	1.0	3.5	95.5	1.4	3.4	10.6	30.5	6.2	43.3
Resource Conservation and Development, Plng	2.0	37.3	13.2	9.0	4.2	14.8	9.3	62.7	6.9	10.4	10.0	20.4	3.9	11.1
Soil Survey Program	28.9	54.5	24.2	9.0	15.2	15.7	14.6	45.5	8.0	7.4	8.6	15.4	2.2	3.9
Soil and Water Conservation	133.4	35.2	10.3	5.8	4.6	14.2	10.8	64.8	7.8	7.4	14.4	21.0	3.9	10.3
Parks and Forests	284.9	48.6	33.9	30.0	3.8	11.1	3.7	51.4	10.8	8.5	5.2	13.9	.8	12.1
Water Resources 6/	441.0	43.2	10.2	4.1	6.1	22.6	10.4	56.8	6.6	12.3	5.6	25.3	.6	6.4
Wildlife Enhancement	7.5	56.4	36.8	31.6	5.2	5.2	14.4	43.6	1.2	18.4	1.6	16.6	1.9	3.8
Total	1094.2	41.5	17.2	12.0	5.2	16.0	8.2	58.5	7.9	10.0	7.9	21.6	1.6	9.5
GRAND TOTAL	6643.1	23.6	7.9	5.2	2.8	9.4	6.2	76.4	7.4	7.6	17.9	25.8	4.2	13.5

1/ Outlays are prorated to counties on the bases of the fraction of the state's special group population in the county.
2/ Less than $50,000.
3/ Prorated to county by geographic distribution of employees.
4/ Prorated by estimated obligation to county level.
5/ Less than .05 percent.
6/ Prorated to county by payroll costs except for large expenditures which are actual for the county.

stabilization program, showing the prevalence of these counties in the large wheat producing areas of the Great Plains States (table 9).

Regionally, per capita outlays for agriculture and natural resources were substantially lower in the Northeast than in the other regions. Even in the nonmetro counties of the Northeast, these outlays totaled only $16 per capita, one-half the national average. Direct payments to farmers and farm loans were highest, on a per capita basis, in nonmetro counties of the North Central region. Per capita outlays for natural resources and conservation were highest in the nonmetro West (table 4).

Across all agriculture and natural resource programs, per capita outlays were highest in nonmetro counties experiencing declines in their population during 1970-73. Such outlays in declining, nonmetro counties ($174 on a per capita basis) were over twice the level in growing nonmetro counties ($74).